

**AUDITED FINANCIAL STATEMENT  
AND SUPPLEMENTARY INFORMATION**

**POTTAWATOMIE COUNTY, KANSAS**

**December 31, 2015**

Reese & Novelly, PA  
*Certified Public Accountants*  
Wamego, Kansas

# Audited Financial Statement and Supplementary Information

## Pottawatomie County, Kansas

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REESE & NOVELLY, P.A.

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*Rick I. Reese, CPA  
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## INDEPENDENT AUDITOR'S REPORT

Board of County Commissioners  
Pottawatomie County, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of Pottawatomie County, Kansas (Municipal Financial Reporting Entity), as of and for the year ended December 31, 2015 and the related notes to the financial statement (as listed in the table of contents).

### *Management's Responsibility for the Financial Statement*

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note A; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the standards applicable to financial audits in the *Kansas Municipal Audit and Accounting Guide*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles*

As described in Note A of the financial statement, the financial statement is prepared by Pottawatomie County, Kansas (Municipal Financial Reporting Entity) on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note A and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

*Adverse Opinion on U.S. Generally Accepted Accounting Principles*

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Pottawatomie County, Kansas, as of December 31, 2015, or changes in its financial position for the year then ended. Further, the County has not presented a management’s discussion and analysis that accounting principles generally accepted in the United States has determined is necessary to supplement, although not required to be part of, the basic financial statements.

*Unmodified Opinion on Regulatory Basis of Accounting*

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balances of each fund of Pottawatomie County, Kansas, as of December 31, 2015, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* as described in Note A.

*Report on Governing Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 23, 2016, on our consideration of Pottawatomie County, Kansas’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Pottawatomie County, Kansas’s internal control over financial reporting and compliance.

*Other Matters*

*Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, schedule of regulatory basis receipts and expenditures-agency funds (Schedules 1, 2 and 3 as listed in the table of contents) as well as the schedules of receipts and disbursements-related municipal entities, composition of ending cash balances, tax roll reconciliation, schedules of receipts and disbursements-individual agency funds, accounts receivable-charges, credits, and balance (Schedules 4, 5, 6, 7, and 8 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note A.

*Reese & Nowally, P.A., CPAs*

Wamego, Kansas  
May 23, 2016

**REGULATORY  
FINANCIAL STATEMENT  
AND NOTE DISCLOSURES**

**SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH  
REGULATORY BASIS**

**POTTAWATOMIE COUNTY, KANSAS**

**Year Ended December 31, 2015**

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
Governmental Type Funds:							
General	\$ 11,665,531	\$ 43,875	\$ 21,239,149	\$ 20,945,068	\$ 12,003,487	\$ 835,236	\$ 12,838,723
Bond and Interest Funds:							
Bond and Interest	603,049		1,457,374	1,383,844	676,579		676,579
Special Purpose Funds:							
Court Trustee	35,427		43	2,190	33,280		33,280
Regional Library	2,101		363,227	360,234	5,094		5,094
Rural Highway System	1,099,615		2,582,253	2,640,804	1,041,064	16,484	1,057,548
Tort Liability	151,286		103,688	88,792	166,182		166,182
Historical Society	96,134		51,831	41,689	106,276		106,276
Special Parks and Recreation	87,944		5,423	6,499	86,868		86,868
Special Alcohol Program	59,356		10,375	13,700	56,031		56,031
Regional Library Employee Benefit Fund	1		44,693	44,265	429		429
Noxious Weed Chemical	161,139		214,066	252,484	122,721		122,721
E-911	66,911		70	33,116	33,865		33,865
County 911	176,420		131,331	94,391	213,360		213,360
Offender Registration Fund	8,868		6,240	1,429	13,679		13,679
Special Highway Improvement	2,987,767	973	1,108,583	590,492	3,506,831	197,967	3,704,798
Attorney Check Fee	22,848		3,112	4,039	21,921		21,921
Attorney Forfeiture Fund	4,548		1,260	1,315	4,493		4,493
Law Enforcement Trust	7,135		9,541	10,360	6,316		6,316
Capital Improvement	3,295,553	150	2,000,000	1,500	5,294,203		5,294,203
Equipment Reserve	403,183		74	4,288	398,969		398,969
Prosecuting Attorney Training	6,303		2,622	5,004	3,921		3,921
Special Auto	146,794		193,493	197,275	143,012		143,012
Deeds Technology	60,388		39,144	50,824	48,708		48,708

The notes to the financial statement are an integral part of this statement.



**SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH  
REGULATORY BASIS**

**POTTAWATOMIE COUNTY, KANSAS**

**Year Ended December 31, 2015**

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
Special Purpose Funds (continued):							
VIN Registration Fees			27,450		27,450		27,450
Clerks Technology			9,748	3,608	6,140		6,140
Treasurers Technology			9,748	4,573	5,175	4,573	9,748
<b>TOTAL SPECIAL PURPOSE</b>	<b>8,879,721</b>	<b>1,123</b>	<b>6,918,015</b>	<b>4,452,871</b>	<b>11,345,988</b>	<b>219,024</b>	<b>11,565,012</b>
Capital Projects:							
Timber Creek Stormwater	24,399				24,399	7,173	31,572
Nelsons Ridge Unit 2 Construction	6,004		1,081,757	1,087,761	-		-
Whispering Meadows 2 Construction	1,869			1,861	8		8
Wildcat Woods Phase 3 Construction	7,997		537,900	545,897	-		-
Elbo Creek Unit 4 Construction			605,168	532,591	72,577		72,577
Nelsons Ridge Unit 3 Construction			630,213	551,576	78,637		78,637
Whispering Meadows 3 Construction			874,903	805,357	69,546		69,546
<b>TOTAL CAPITAL PROJECTS</b>	<b>40,269</b>	<b>-</b>	<b>3,729,941</b>	<b>3,525,043</b>	<b>245,167</b>	<b>7,173</b>	<b>252,340</b>
Business Funds:							
Blue Township Sewer Operations	586,532	636	706,415	635,107	658,476	78,852	737,328
Blue Township Sewer Reserve	779,978		170,462	21,380	929,060		929,060
Timbercreek Water Operations	137,766	75	140,494	150,030	128,305	867	129,172
Timbercreek Water Reserve	344,376		44,127		388,503		388,503
Fostoria Sewer Operations	30,538		1,896	9,979	22,455	8,800	31,255
Fostoria Sewer Reserve	17,923		736		18,659		18,659
Brook Ridge Sewer Operations	10,086		6,637	1,079	15,644		15,644
Brook Ridge Sewer Maintenance	12,089		1,726	158	13,657		13,657
Brook Ridge Sewer Reserve	15,200		7,600		22,800		22,800
<b>TOTAL BUSINESS</b>	<b>1,934,488</b>	<b>711</b>	<b>1,080,093</b>	<b>817,733</b>	<b>2,197,559</b>	<b>88,519</b>	<b>2,286,078</b>
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>23,123,058</b>	<b>45,709</b>	<b>34,424,572</b>	<b>31,124,559</b>	<b>26,468,780</b>	<b>1,149,952</b>	<b>27,618,732</b>

The notes to the financial statement are an integral part of this statement.

**SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH  
REGULATORY BASIS**

**POTTAWATOMIE COUNTY, KANSAS**

**Year Ended December 31, 2015**

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
Related Municipal Entities:							
Fire Districts:							
Joint No. 3 General Fund	59,232		34,554	12,546	81,240		81,240
No. 5 General Fund	19,074		160,574	102,819	76,829	80	76,909
No. 10 General Fund	11,997		101,449	113,446	-		-
Consolidated Fire District #1	125,447		500,280	342,680	283,047	44,853	327,900
Consolidated Fire District #1 Reserve	145,000				145,000		145,000
Joint No. 1 General Fund			2,664	2,664	-		-
No. 2 General Fund			360	360	-		-
Joint No. 4 General Fund			773	773	-		-
No. 6 General Fund			2,277	2,277	-		-
No. 7 General Fund			2,465	2,465	-		-
No. 8 General Fund			18	18	-		-
Pottawatomie County Economic Development Corporation	489,489		660,502	327,798	822,193	1,904	824,097
Pottawatomie County Extension Council	51,851		249,862	224,788	76,925		76,925
<b>TOTAL RELATED MUNICIPAL ENTITIES</b>	<b>902,090</b>		<b>1,715,778</b>	<b>1,132,634</b>	<b>1,485,234</b>	<b>46,837</b>	<b>1,532,071</b>
<b>TOTAL REPORTING ENTITY</b>	<b>\$ 24,025,148</b>	<b>\$ 45,709</b>	<b>\$ 36,140,350</b>	<b>\$ 32,257,193</b>	<b>\$ 27,954,014</b>	<b>\$ 1,196,789</b>	<b>\$ 29,150,803</b>

The notes to the financial statement are an integral part of this statement.

**SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH  
REGULATORY BASIS**

**POTTAWATOMIE COUNTY, KANSAS**

**Year Ended December 31, 2015**

Composition of Cash:

Checking accounts	\$ 5,876,792
Certificates of deposit	16,400,000
Municipal Investment Pool	33,004,962
Change fund and petty cash	850
Savings	7,695
Clerk of the District Court	861,385
Pottawatomie County Sheriff	248
Law Library	26,732
Pottawatomie County Economic Development Corporation (Related Municipal Entity)	824,097
Pottawatomie County Extension Council (Related Municipal Entity)	<u>76,925</u>
TOTAL CASH	57,079,686
Agency Funds per Schedule 3	<u>(27,928,883)</u>
TOTAL REPORTING ENTITY (EXCLUDING AGENCY)	<u><u>\$ 29,150,803</u></u>

The notes to the financial statement are an integral part of this statement.

## NOTES TO FINANCIAL STATEMENT

### POTTAWATOMIE COUNTY, KANSAS FINANCIAL REPORTING ENTITY

December 31, 2015

#### NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Pottawatomie County, Kansas (Municipality) is a municipal corporation governed by an elected three-member commission. This regulatory financial statement presents the Municipality (the primary government) and its related municipal entities. The accounting policies of the Municipality conform to the cash-basis and budget laws of Kansas (regulatory basis). The following is a summary of the more significant policies:

1. The Financial Reporting Entity: The financial reporting entity of Pottawatomie County, Kansas, is comprised of the primary government (the Municipality) and its related municipal entities.

The basic criterion for including a separate entity in the Municipality's financial reporting entity is the financial accountability of the Municipality for the separate entity. The Municipality is financially accountable if it appoints a voting majority of a related municipal entity's governing body and if it either has the ability to impose its will on the related municipal entity or there is a potential for the related municipal entity to provide certain financial benefits to, or impose certain financial burdens on, the primary government.

The related municipal entities are included in the Municipality's reporting entity because they are established to benefit the Municipality and/or its constituents.

- a. *Fire Districts*: Each of the Fire Districts is a separate legal entity, formed by State Statutes under the Municipality. The governing bodies are appointed by the County Commissioners. Each district levies its own tax and provides fire protection services to their local rural communities based upon established boundaries. Separate financial statements of each Fire District may be obtained from the County Administrator's office.
  - b. *Pottawatomie County Economic Development Corporation (PCED)*: A separate legal entity in which the County Commissioners appoint the governing body. The Municipality annually provides significant operating subsidies to the PCED. Separate financial statements of PCED may be obtained by contacting their office in Wamego, Kansas.
  - c. *Pottawatomie County Extension Council (PCEC)*: A separate legal entity, formed under state statute K.S.A. 2-610, in which the governing body is elected annually. The PCEC provides services in such areas as agriculture, home economics, and 4-H clubs, to all persons in the County. The Municipality annually provides significant operating subsidies to the PCEC. Separate financial statements of PCEC may be obtained by contacting their office in Westmoreland, Kansas.
2. Regulatory Basis Fund Types: The accounts of the Municipality are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its cash, liabilities, fund balance, receipts, and expenditures.

## NOTES TO FINANCIAL STATEMENT

### POTTAWATOMIE COUNTY, KANSAS FINANCIAL REPORTING ENTITY

December 31, 2015

Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statement in this report, into generic regulatory basis fund types and broad fund categories as follows:

#### *Governmental Funds*

The General Fund is the chief operating fund of the Municipality. It is used to account for all financial resources except those that are required to be accounted for in another fund.

Special Purpose Funds are used to account for the proceeds of specific tax levies and other specific revenue sources (other than capital project and tax levies for long-term debt) that are intended for specified purposes.

Bond and Interest Funds are used to account for the accumulation of resources, including tax levies, transfer from other funds and payment of long-term debt principal, interest, and related costs.

Capital Projects Funds are used to account for the debt proceeds and other financial resources to be used for the acquisition or construction of major capital facilities or equipment.

#### *Business Funds*

Business Funds are used to account for operations that provide goods or services to the general public on a continuing basis. Such operations are financed and operated in a manner similar to private business entities and (a) are intended to be self supporting through charges to users or (b) the governing body has deemed it appropriate to account for them as business funds for capital maintenance, public policy, management control, accountability, or other purposes.

#### *Fiduciary Funds*

Trust Funds are used to report assets held in trust for the benefit of the municipal financial reporting entity (i.e. pension funds, investment trust funds, private purpose trust funds which benefit the municipal reporting entity, scholarship funds, etc.).

Agency Funds are used to account for assets held by the municipal reporting entity in a purely custodial capacity (payroll clearing fund, tax collection accounts, etc.).

3. Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America: The municipal reporting entity prepares the financial statements using *Kansas Municipal Audit and Accounting Guide (KMAAG)* regulatory basis of accounting, which is designed to demonstrate compliance with the cash basis and budget laws of the State of Kansas.

## NOTES TO FINANCIAL STATEMENT

### POTTAWATOMIE COUNTY, KANSAS FINANCIAL REPORTING ENTITY

December 31, 2015

The *KMAAG* regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis revenues and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The *KMAAG* regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflow or outflows, other than those mentioned above.

The Municipality has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the municipality to use the *KMAAG* regulatory basis of accounting.

4. Budgetary Information: Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), bond and interest funds, and business funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:
  - a. Preparation of the budget for the succeeding calendar year on or before August 1.
  - b. Publication in local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5.
  - c. Public hearing on or before August 15, but at least ten days after publication of notice of hearing.
  - d. Adoption of the final budget on or before August 25.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time.

The statutes permit transferring budgeted amounts between line items within an individual fund; County policy requires such transfers to be approved by the County Commissioners. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

## NOTES TO FINANCIAL STATEMENT

### POTTAWATOMIE COUNTY, KANSAS FINANCIAL REPORTING ENTITY

December 31, 2015

All legal annual operating budgets are prepared using the regulatory basis of accounting in which regulatory receipts are recognized when cash is received and expenditures include disbursements, accounts payable and encumbrances, with disbursements being adjusted for the prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

A legal operating budget is not required for capital project funds, trust funds and the following special purpose and business funds:

*Special Purpose Funds:* Special Highway Improvement; Attorney Check Fee; Attorney Forfeiture Fund; Law Enforcement Trust; Capital Improvement; Equipment Reserve; Prosecuting Attorney Training; Special Auto; Deeds Technology, VIN Registrations, Clerks Technology, Treasurers Technology

*Business Funds:* Blue Township Sewer Reserve; Timbercreek Water Reserve; Fostoria Sewer Reserve; Brook Ridge Sewer Reserve

Spending in funds, which are not subject to the legal annual operating budget requirement, is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

5. Special Assessments: Projects financed in part by special assessments are financed through general obligation bonds of the Municipality and/or revolving loans issued by the Kansas Department of Transportation. Both of which are retired either from the General Fund or the Bond and Interest Fund as appropriate. Special assessments paid prior to the issuance of bonds are recorded as revenue in the appropriate project. Special assessments received after the issuance of bonds are recorded as revenue in the General Fund or Bond and Interest Fund as appropriate.
6. Cash and Investments: The Municipality uses an internally pooled cash system in which the cash balances from all funds are combined and invested to the extent available in certificates of deposit and other authorized investments. Earnings from these investments, unless specifically designated, are allocated to the general fund and the utility funds based upon their average cash balances. Investments are stated at cost, which approximates market.
7. Reimbursements: The Municipality records reimbursable expenditures in the fund that makes the disbursement and records reimbursements as revenue to the fund. For purposes of budgetary comparisons, the reimbursement is recorded as a qualifying budget credit in the fund receiving the reimbursement.

## NOTES TO FINANCIAL STATEMENT

### POTTAWATOMIE COUNTY, KANSAS FINANCIAL REPORTING ENTITY

December 31, 2015

8. Property Taxes: In accordance with governing state statutes, property taxes levied during the current year are a revenue source to be used to finance the budget of the ensuing year. Taxes are assessed on a calendar year basis and become a lien on the property on November 1 of each year. The County Treasurer is the tax collection agent for all taxing entities within the County. Property owners have the option of paying one-half or the full amount of the taxes levied on or before December 20 during the year levied with the balance to be paid on or before May 10 of the ensuing year. State statutes prohibit the County Treasurer from distributing taxes collected in the year levied prior to January 1 of the ensuing year. Consequently, for revenue recognition purposes, the taxes levied during the current year are not due and receivable until the ensuing year.

#### NOTE B – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

1. Compliance with finance-related legal (including KSA's) and contractual provisions

K.S.A 79-2935 establishes that expenditures, included encumbrances, in any lawfully budgeted fund should not exceed the adopted budget of expenditures plus any reimbursement (budget credits) of current year expenditures for such fund for that budget year. We noted a violation of K.S.A. 79-2935 in the Fire District #10 fund, a related municipal entity, exceeded its legal budget by \$7,648. Fire District #10 joined the Consolidated Fire District in 2013 when it was created, however, because the FD had an outstanding lease its equity was not transferred at that time. The lease was paid off in 2015 and the FD's remaining equity was transferred to the consolidated fund.

2. Amendments to Legal Budgets: There were no budget amendments in 2015.

#### NOTE C – DEPOSITS AND INVESTMENTS

As of December 31, 2015, the Municipality had the following investments and maturities:

Investment Type	Fair Value	Maturity (in years)	Rating
Certificates of Deposit	\$ 16,400,000	Less than 1 year	N/A
Kansas Municipal Investment Pool	33,004,962	Less than 1 year	S&P AAf/S1+
Total Fair Value	<u>\$ 49,404,962</u>		

K.S.A. 9-1401 establishes the depositories which may be used by the Municipality. The statute requires banks eligible to hold the Municipality's funds have a main or branch bank in the county in which the Municipality is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The Municipality has no other policies that would further limit interest rate risk.



## NOTES TO FINANCIAL STATEMENT

### POTTAWATOMIE COUNTY, KANSAS FINANCIAL REPORTING ENTITY

**December 31, 2015**

K.S.A. 12-1675 limits the Municipality's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The Municipality has no investment policy that would further limit its investment choices. The rating of the Municipality's investments is noted above.

*Concentration of credit risk:* State statutes place no limit on the amount the Municipality may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405. The Municipality's allocation of investments as of December 31, 2015, is as follows:

<u>Investments</u>	<u>Percentage of Investments</u>
Certificates of Deposit	33%
Kansas Municipal Investment Pool	67%

*Custodial credit risk – deposits:* Custodial credit risk is the risk that in the event of a bank failure, the Municipality's deposits may not be returned to it. State statutes require the Municipality's deposits in financial institutions to be entirely covered by federally depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The Municipality's designated "peak periods" are from December 3 – February 3 and April 15 – June 15.

At December 31, 2015, the carrying amount of the Municipality's deposits, including certificates of deposit, was \$23,173,703 and the bank balance was \$23,823,682. The bank balance was held by four banks which did not result in a concentration of credit risk. The difference between the carrying amount and the bank balance is outstanding checks and deposits in transit. Of the bank balance, \$16,032,912 was covered by federal depository insurance and \$7,591,712 was collateralized with securities held by the pledging financial institutions' agents in the Municipality's name. \$199,058 was unsecured at December 31, 2015 and was held in the District Court's account.

*Custodial credit risk – investments:* For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the Municipality will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

At December 31, 2015, the Municipality had invested \$33,004,962 in the State's municipal investment pool. The municipal investment pool is under the oversight of the Pooled Money Investment Board. The board is comprised of the State Treasurer and four additional members appointed by the State Governor. The board reports annually to the Kansas legislature.

## NOTES TO FINANCIAL STATEMENT

### POTTAWATOMIE COUNTY, KANSAS FINANCIAL REPORTING ENTITY

**December 31, 2015**

State pooled monies may be invested in direct obligations of, or obligations that are insured as to principal and interest, by the U.S. government or any agency thereof, with maturities up to four years. No more than ten percent of those funds may be invested in mortgage-backed securities. In addition, the State pool may invest in repurchase agreements with Kansas banks or with primary government securities dealers.

#### Related Municipal Entity Cash Balances:

The cash of the Fire Districts was held by the County in an agency capacity and is included in the above analyses.

At year-end, the carrying amount of the Pottawatomie County Economic Development's deposits including certificates of deposit was \$824,097 and the bank balance was \$827,826. The difference between the carrying amount and the bank balance is outstanding checks and deposits in transit. Of the bank balance, \$534,103 was covered by FDIC insurance and the remaining \$293,724 was collateralized with securities held by the pledging financial institutions' agents in Pottawatomie County Economic Development's name.

Of the above balance, \$34,000 is being held in a fund with Kansas Rural Communities Foundation (KRCF) for Pottawatomie County Economic Development (PCED) which can be withdrawn at any time and used for whatever purposes PCED sees fit. KRCF retains any interest earned on the funds as payment for handling the funds.

At year-end, the carrying amount of the Pottawatomie County Extension's deposits was \$76,925 and the bank balance was \$89,720. The difference between the carrying amount and the bank balance is outstanding checks and deposits in transit. The entire bank balance was covered by FDIC insurance.

#### **NOTE D—LONG TERM DEBT**

The following is a summary of debt transactions of the Municipality for the year ended December 31, 2015. See Notes N and O for the schedules of long-term liabilities and current maturities of long-term debt.

	Payable Beginning of Year	Issued	Retired	Payable End of Year
General Obligation Bonds	\$ 6,924,429	\$ 1,295,000	\$ 651,000	\$ 7,568,429
Revolving Notes	2,691,315		126,776	2,564,539
Temporary Notes	1,050,000	2,350,000	1,340,000	2,060,000
Total	<u>\$ 10,665,744</u>	<u>\$ 3,645,000</u>	<u>\$ 2,117,776</u>	<u>\$ 12,192,968</u>

Total interest expense for the year was \$297,534.

## NOTES TO FINANCIAL STATEMENT

### POTTAWATOMIE COUNTY, KANSAS FINANCIAL REPORTING ENTITY

December 31, 2015

The general obligation bonds encompass project related expenditures for general obligation (street improvements as allowed per K.S.A. 68-709 and 68-28) in addition to expenditures related to the respective sewer and water districts (as allowed per K.S.A. 19-27a07 and 19-3540). The entire amount of the debt is accounted for in the General Bond and Interest fund.

The amount of debt for each type is as follows:

	Water Districts	Sewer Districts	Street Improvements	End of Year
General Obligation Bonds	1,097,606	1,535,223	4,935,600	7,568,429

#### Bonded Indebtedness Limitation

Kansas statutes restrict the level of the authorized and outstanding bonded indebtedness of the Municipality to not more than three percent of the assessed value of all tangible property within such county, as certified to the County Clerk on the preceding August 25.

Total assessed valuation as of November, 2014	514,987,258
3% Debt Limit	15,449,618
 Total Outstanding General Obligation Debt	 7,568,429
Less portions excluded per K.S.A. 19-27a07 and 19-3540	(2,632,829)
Less portions excluded per K.S.A. 68-728	(4,935,600)
Total Outstanding Eligible General Obligation Debt	-
 General Obligation Debt Margin	 15,449,618

#### **NOTE E—DEFINED BENEFIT PENSION PLAN**

##### General Information about the Pension Plan

*Plan Description:* Pottawatomie County, Kansas participates in the Kansas Public Employees Retirement System (KPERS) and the Kansas Police and Firemen's Retirement System (KP&F). Both are part of a cost-sharing, multiple-employer defined benefit pension plan as provided by K.S.A 74-4901, et. seq. Kansas law establishes and amends benefit provisions. KPERS and KP&F issue a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERS website at [www.kpers.org](http://www.kpers.org) or by writing to KPERS (611 South Kansas, Suite 100; Topeka, KS 66603) or by calling 1-888-275-5737.

## NOTES TO FINANCIAL STATEMENT

### POTTAWATOMIE COUNTY, KANSAS FINANCIAL REPORTING ENTITY

**December 31, 2015**

*Contributions:* K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009, and KPERS 3 members were first employed in a covered position on or after January 1, 2015.

Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate at 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. K.S.A. 74-4975 establishes KP&F member-employee contribution rate at 7.15% of covered salary. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERS 1, KPERS 2, KPERS 3 and KP&F be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 0.85% contribution rate for the Death and Disability Program) and the statutory contribution rate was 9.48% for KPERS and 21.36% for KP&F for the fiscal year ended December 31, 2015. Contributions to the pension plan from the municipality were \$552,053 for KPERS and \$281,531 for KP&F for the year ended December 31, 2015.

#### Net Pension Liability

At December 31, 2015, the municipality's proportionate share of the collective net pension liability reported by KPERS was \$4,024,861 and \$2,024,278 for KP&F. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2014, which was rolled forward to June 30, 2015. Pottawatomie County, Kansas's proportion of the net pension liability was based on the ratio of the municipality's contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in these financial statements.

The complete actuarial valuation report including all actuarial assumptions and methods, and the report on the allocation of the KPERS collective net pension liability to all participating employers are publically available on the website at [www.kpers.org](http://www.kpers.org) or can be obtained as described above.

## **NOTES TO FINANCIAL STATEMENT**

### **POTTAWATOMIE COUNTY, KANSAS FINANCIAL REPORTING ENTITY**

**December 31, 2015**

#### **NOTE F —DEFERRED COMPENSATION**

The Municipality sponsors a salary deferral plan that covers all full-time employees who have met certain service requirements. Contributions to the plan with the exception of required matching contributions are at the discretion of the County Commissioners. During 2015 the retirement plan expense was approximately \$76,838.

#### **NOTE G—OTHER POST EMPLOYMENT BENEFIT**

As provided by K.S.A. 12-5040, the municipality allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the municipality is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in these financial statements.

Under the Consolidated Budget Reconciliation Act (COBRA), the municipality makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured.

#### **NOTE H—COMPENSATED ABSENCES**

The Municipality provides certain vacation time benefits, i.e., paid time off, to full and part-time employees based upon length of service with the Municipality and contractual agreements. Unused vacation time up to a maximum of 160 hours (unless stated otherwise in the employment contract) is paid to the employee or legal representative of the employee upon termination of employment, retirement or death. Payment of unused vacation time is based upon the employee's rate of pay at the time of termination, retirement or death.

At December 31, 2015, the County's liability for unused vacation time is approximately \$374,864 attributable entirely to governmental funds.

## NOTES TO FINANCIAL STATEMENT

### POTTAWATOMIE COUNTY, KANSAS FINANCIAL REPORTING ENTITY

December 31, 2015

#### NOTE I—CAPITAL PROJECTS

At year-end, capital projects authorizations with approved change orders compared with disbursement and accounts payable from inception are as follows:

Project Name	Cash disbursements and accounts payable to date	Project Authorizations
Whispering Meadows 3	\$ 805,356	\$ 1,100,334
Brook Ridge 2	520	245,384
Excel Road	5,313	1,934,609
Excel Road Hwy 24 Intersection	160,849	953,005
Flush Road Hwy 24 Intersection	235,451	363,000
Nelsons Ridge Unit 4	297	741,646
Excel Sewer Project	-	272,147
Elbo Creek Unit 4	532,872	942,957
Nelsons Ridge Unit 3	551,864	966,044
Nelsons Ridge Unit 2	1,082,855	1,363,281
Whispering Meadows 2	501,071	540,000
Wildcat Woods Phase 3	256,224	293,512
Flint Rock Rd Bridge	701,651	683,249
TOTAL	<u>\$ 4,834,323</u>	<u>\$ 10,399,168</u>

#### NOTE J—COMMITMENTS AND CONTINGENCIES

Construction Contracts: At December 31, 2015, the Municipality had several pending construction project contracts. Commitments related to significant contracts include contracts for the Municipality's street improvements.

Risk Management: The Municipality is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Municipality manages these various risks of loss through commercial insurance with varying deductibles. All deductibles are \$1,000 or less. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

## NOTES TO FINANCIAL STATEMENT

### POTTAWATOMIE COUNTY, KANSAS FINANCIAL REPORTING ENTITY

December 31, 2015

Litigation: There are a number of claims and/or lawsuits to which the Municipality is a party as a result of matters and complaints arising in the ordinary course of Municipality activities. The Municipality's management and legal counsel anticipate that the potential claims against the Municipality not covered by insurance, if any, resulting from such matters would not materially affect the financial position of the Municipality.

Solid Waste Landfill Post-closure Care Costs: The Municipality closed its solid waste facility and received approval over the period of 1993 through 1995. Any liability for post-closure care costs associated with the landfill has not been determined. The Municipality incurs costs annually to monitor the closed facility.

#### NOTE K—TRANSFERS

Operating transfers were as follows:

FROM	TO	Statutory Authority	Amount
General Fund	PC Economic Development	K.S.A. 1-4102	\$ 210,000
General Fund	PC Extension Services	K.S.A. 2-610	197,162
General Fund	Equipment Reserve Fund	K.S.A. 19-119	74
General Fund	Capital Improvement Fund	K.S.A. 19-120	2,000,000
General Fund	Special Highway	K.S.A. 68-590	900,000
Rural Highway Fund	General Fund	K.S.A. 68-590	1,511,992
Bond & Interest Funds	Bond & Interest Fund	Equity transfer	481,651
Capital Projects Fund	Bond & Interest Fund	Equity transfer	2,574
Capital Projects Fund	Bond & Interest Fund	Equity transfer	1,229
Utility Operations Funds	Utility Reserve Funds	K.S.A. 12-631o	30,362
Utility Operations Funds	Utility Reserve Funds	K.S.A. 12-825d	44,127
Special Auto Fund	General Fund	K.S.A. 8-145	146,794
Fire District #1	Consolidated Fire District #1	Equity transfer	2,664
Fire District #2	Consolidated Fire District #1	Equity transfer	360
Fire District #4	Consolidated Fire District #1	Equity transfer	773
Fire District #6	Consolidated Fire District #1	Equity transfer	2,277
Fire District #7	Consolidated Fire District #1	Equity transfer	2,465
Fire District #8	Consolidated Fire District #1	Equity transfer	18
Fire District #10	Consolidated Fire District #1	K.S.A. 19-119	15,417
			<u>\$ 5,549,939</u>

## **NOTES TO FINANCIAL STATEMENT**

### **POTTAWATOMIE COUNTY, KANSAS FINANCIAL REPORTING ENTITY**

**December 31, 2015**

#### **NOTE L—CONCENTRATIONS**

The Municipality receives approximately fifty percent of its ad valorem taxes from one taxpayer who operates a coal burning electric generation plant located in the County.

#### **NOTE M—MANAGEMENT’S REVIEW OF SUBSEQUENT EVENTS**

In preparing these financial statements, the Municipality has evaluated events and transactions for potential recognition or disclosure through May 23, 2016, the date the financial statements were available to be issued.



## NOTES TO FINANCIAL STATEMENTS

### POTTAWATOMIE COUNTY, KANSAS

December 31, 2015

#### NOTE N - SCHEDULE OF LONG-TERM DEBT

The following is a schedule of changes in long-term debt for the County for the year ended December 31, 2015

	Interest Rate	Date Issued	Original Amount	Date of Final Maturity
General Obligation Bonds				
1995 Fostoria	5.25%	10/19/1995	\$ 46,029	10/19/2035
2006-A Eagles Landing Unit VI & VII	4.15/5.50%	6/15/2006	585,000	10/1/2026
2006-C Elbo Creek Estates I/Wildcat Woods I	3.65/5.00%	10/1/2006	1,805,000	10/1/2026
2007-A Sunset Ridge/Falling Leaf/Eagles Landing 8	3.70/4.50%	3/15/2007	815,000	10/1/2027
2008-A Brook Ridge	3.30/4.15%	6/1/2008	280,000	10/1/2023
2008-B Wildcat Woods II	4.00/5.10%	10/1/2008	180,000	10/1/2028
2010-A Sunset Ridge Unit 2	3.50/5.50%	9/15/2010	150,000	10/1/2030
2011-A Nelson's Ridge I	2.30/5.00%	9/15/2011	690,000	10/1/2031
2012-A Whispering Meadows Unit 1	3.90%	9/15/2012	105,000	10/1/2032
2014-A Refunding Bond	2.00/3.35%	9/29/2014	3,405,000	10/1/2034
2015-A Nelson's Ridge II/Wildcat Woods III	2.00/4.00%	10/21/2015	1,295,000	10/1/2035
TOTAL GENERAL OBLIGATION BONDS			<u>9,356,029</u>	
Revolving Note Payable				
TR0141 Whispering Meadows Unit 1	3.25%	3/26/2012	332,254	8/1/2031
TR0148 Elbo Creek Estates Unit 2	3.18%	12/1/2012	125,736	8/1/2032
C20 1786-01 Blue Township Sewer	2.55%	1/8/2010	3,034,346	9/1/2031
TOTAL REVOLVING NOTE PAYABLE			<u>3,492,336</u>	
Temporary Notes (series)				
2014-3 Nelson's Ridge Unit 2	0.59%	8/15/2014	1,050,000	8/15/2015
2015-1 Wildcat Woods 3	0.40%	2/15/2015	290,000	2/15/2016
2015-2 Elbo Creek Estates Unit 4	0.69%	5/1/2015	605,000	5/1/2016
2015-3 Nelson's Ridge Unit 3	0.69%	05/01/15	630,000	5/1/2016
2015-4 Whispering Meadows Unit 3	0.69%	05/01/15	825,000	5/1/2016
TOTAL TEMPORARY NOTES			<u>3,400,000</u>	
TOTAL INDEBTEDNESS			<u>\$ 16,248,365</u>	

Outstanding January 1, 2015	Issued	Retired	Net Change	Outstanding December 31, 2015	Interest Paid
\$ 34,429		\$ 1,000	\$ (1,000)	\$ 33,429	\$ 1,808
410,000		25,000	(25,000)	385,000	18,308
1,285,000		80,000	(80,000)	1,205,000	51,481
615,000		35,000	(35,000)	580,000	24,460
190,000		15,000	(15,000)	175,000	7,757
150,000		5,000	(5,000)	145,000	7,265
130,000		5,000	(5,000)	125,000	5,640
615,000		25,000	(25,000)	590,000	23,480
90,000		5,000	(5,000)	85,000	3,510
3,405,000		455,000	(455,000)	2,950,000	74,853
	1,295,000		1,295,000	1,295,000	
6,924,429	1,295,000	651,000	644,000	7,568,429	218,562
305,991		13,768	(13,768)	292,223	9,945
120,816		5,077	(5,077)	115,739	3,842
2,264,508		107,931	(107,931)	2,156,577	57,061
2,691,315	-	126,776	(126,776)	2,564,539	70,848
1,050,000		1,050,000	(1,050,000)	-	7,331
	290,000	290,000	-	-	793
	605,000		605,000	605,000	
	630,000		630,000	630,000	
	825,000		825,000	825,000	
1,050,000	2,350,000	1,340,000	1,010,000	2,060,000	8,124
\$ 10,665,744	\$ 3,645,000	\$ 2,117,776	\$ 1,527,224	\$ 12,192,968	\$ 297,534

## NOTES TO FINANCIAL STATEMENTS

### POTTAWATOMIE COUNTY, KANSAS

December 31, 2015

#### NOTE O: SCHEDULE OF MATURITY OF LONG TERM DEBT

The current maturities of long term debt and interest for the next five years and in five year increments through maturity as follows:

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
PRINCIPAL				
General obligation bonds	726,000	601,100	556,100	551,200
Revolving loans	130,154	133,624	137,187	140,845
Temporary notes	<u>2,060,000</u>			
TOTAL PRINCIPAL	<u>2,916,154</u>	<u>734,724</u>	<u>693,287</u>	<u>692,045</u>
INTEREST				
General obligation bonds	236,807	220,258	203,622	188,239
Revolving loans	67,469	64,000	60,437	56,779
Temporary Notes	<u>14,214</u>			
TOTAL INTEREST	<u>318,490</u>	<u>284,258</u>	<u>264,059</u>	<u>245,018</u>
	<u>\$ 3,234,644</u>	<u>\$ 1,018,982</u>	<u>\$ 957,346</u>	<u>\$ 937,063</u>

<u>2020</u>	<u>2021-2025</u>	<u>2026-2030</u>	<u>2031-2035</u>	<u>Total</u>
566,200	2,587,300	1,264,500	716,029	7,568,429
144,602	782,993	893,286	201,848	2,564,539
				2,060,000
<u>710,802</u>	<u>3,370,293</u>	<u>2,157,786</u>	<u>917,877</u>	<u>12,192,968</u>
172,708	613,583	252,275	73,439	1,960,931
53,022	205,125	94,834	4,663	606,329
				14,214
<u>225,730</u>	<u>818,708</u>	<u>347,109</u>	<u>78,102</u>	<u>2,581,474</u>
<u>\$ 936,532</u>	<u>\$ 4,189,001</u>	<u>\$ 2,504,895</u>	<u>\$ 995,979</u>	<u>\$ 14,774,442</u>

## **GOVERNMENT AUDITING STANDARDS**



Rick I. Reese, CPA  
Nicholas J. Novelly, CPA  
Carol E. McCullough, CPA

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED  
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH *GOVERNMENT AUDITING STANDARDS***

Board of County Commissioners  
Pottawatomie County, Kansas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the *Kansas Municipal Audit and Accounting Guide* issued by the Director of Accounts and Reports, State of Kansas Department of Administration, the regulatory basis financial statement of Pottawatomie County, Kansas (County) as of and for the year ended December 31, 2015, and the related notes to the financial statement, which collectively comprise the County's regulatory basis financial statement, and have issued our report thereon dated May 23, 2016. The report was qualified because, as described more fully in Note A, the County has prepared these financial statements using accounting practices prescribed and permitted by the State of Kansas to demonstrate compliance with the cash basis and budget laws of the State of Kansas, which practices differ from accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statement is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the County, in a separate letter dated May 23, 2016.

#### Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Reese & Naulley, PA, CPAs*

Wamego, Kansas  
May 23, 2016

**REGULATORY-REQUIRED  
SUPPLEMENTARY INFORMATION**



**SUMMARY OF EXPENDITURES - BUDGET AND ACTUAL  
REGULATORY BASIS  
BUDGETED FUNDS ONLY (SCHEDULE 1)**

**POTTAWATOMIE COUNTY, KANSAS**

**Year Ended December 31, 2015**

	<u>Certified Budget (As Amended)</u>	<u>Adjustment for Qualifying Budget Credits</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Favorable (Unfavorable) Variance</u>
Governmental Type Funds:					
General	\$ 23,101,530	\$ 291,180	\$ 23,392,710	\$ 20,945,068	\$ 2,447,642
Bond and Interest Funds:					
Bond and Interest	1,513,128		1,513,128	1,383,844	129,284
Special Purpose Funds:					
Court Trustee	36,115		36,115	2,190	33,925
Regional Library	360,234		360,234	360,234	-
Rural Highway System	2,991,465		2,991,465	2,640,804	350,661
Tort Liability	178,477		178,477	88,792	89,685
Historical Society	103,308		103,308	41,689	61,619
Special Parks and Recreation	52,054		52,054	6,499	45,555
Special Alcohol Program	44,056		44,056	13,700	30,356
Regional Library EMBF	44,265		44,265	44,265	-
Noxious Weed Chemical	257,776		257,776	252,484	5,292
E-911	68,232		68,232	33,116	35,116
County 911	158,500		158,500	94,391	64,109
Offender Registration	9,162		9,162	1,429	7,733

See independent auditor's report.

**SUMMARY OF EXPENDITURES - BUDGET AND ACTUAL  
REGULATORY BASIS  
BUDGETED FUNDS ONLY (SCHEDULE 1)**

**POTTAWATOMIE COUNTY, KANSAS**

**Year Ended December 31, 2015**

	<u>Certified Budget (As Amended)</u>	<u>Adjustment for Qualifying Budget Credits</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Favorable (Unfavorable) Variance</u>
Business Funds:					
Blue Township Sewer Operations	698,000		698,000	635,107	62,893
Timbercreek Water	204,000	2,372	206,372	150,030	56,342
Fostoria Sewer Operations	10,500		10,500	9,979	521
Brook Ridge Sewer Operations	6,150		6,150	1,079	5,071
Brook Ridge Sewer Maintenance	3,000		3,000	158	2,842
Related Municipal Entities:					
Fire Districts:					
Joint No. 3 General Fund	57,988		57,988	12,546	45,442
No. 5 General Fund	161,651		161,651	102,819	58,832
No. 6 General Fund	5,240		5,240	2,277	2,963
No. 10 General Fund	105,798		105,798	113,446	(7,648)
Consolidated No. 1 General Fund	582,962		582,962	342,680	240,282

See independent auditor's report.

**SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL  
REGULATORY BASIS  
GENERAL FUND - (SCHEDULE 2)**

**POTTAWATOMIE COUNTY, KANSAS**

**Year Ended December 31, 2015**

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Ad valorem tax	\$ 12,409,000	\$ 12,316,451	\$ (92,549)
Delinquent tax	34,000	73,292	39,292
In lieu of tax	30,000	40,164	10,164
Local alcohol liquor tax	5,280	5,423	143
Motor vehicle tax	590,000	654,912	64,912
Vehicles rent excise tax		13,713	13,713
Sales and compensating use tax	2,500,000	3,422,266	922,266
Fines, forfeitures, and penalties	26,000	65,079	39,079
City and county highway fund	675,000	797,273	122,273
16/20M vehicle tax	16,000	16,327	327
District coroner fee	6,500	6,314	(186)
Recreation vehicle tax	14,000	15,577	1,577
Neighborhood revitalization rebate		(8,723)	(8,723)
Refunds		97,158	97,158
Watercraft tax	10,648	10,388	(260)
Licenses and permits	385,000	699,469	314,469
Charges for services	400,000	750,566	350,566
Use of property	44,000	72,542	28,542
Reimbursements and grants	25,000	361,157	336,157
Miscellaneous receipts	100,000	168,615	68,615
Transfers in	1,200,000	1,661,186	461,186
<b>TOTAL CASH RECEIPTS</b>	<b>18,470,428</b>	<b>21,239,149</b>	<b>2,768,721</b>
Expenditures:			
Legislative:			
County Commission:			
Personnel services	81,800	81,492	308
Contractual services and other charges	14,300	11,610	2,690
Materials and supplies	1,200	1,189	11
<b>TOTAL LEGISLATIVE</b>	<b>97,300</b>	<b>94,291</b>	<b>3,009</b>

See independent auditor's report.

**SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL  
REGULATORY BASIS  
GENERAL FUND - (SCHEDULE 2)**

**POTTAWATOMIE COUNTY, KANSAS**

**Year Ended December 31, 2015**

	Budget	Actual	Favorable (Unfavorable) Variance
Judicial:			
County Attorney:			
Personnel services	320,500	314,924	5,576
Contractual services and other charges	44,633	42,037	2,596
Materials and supplies	11,350	9,250	2,100
Capital outlay	14,254	13,550	704
TOTAL COUNTY ATTORNEY	390,737	379,761	10,976
Clerk of the District Court:			
Contractual services and other charges	208,900	200,177	8,723
Materials and supplies	12,350	11,713	637
Capital outlay	15,000	3,439	11,561
TOTAL CLERK OF THE DISTRICT COURT	236,250	215,329	20,921
Court Services Officer:			
Contractual services and other charges	19,072	12,724	6,348
Materials and supplies	50	41	9
TOTAL COURT SERVICES OFFICER	19,122	12,765	6,357
District Coroner:			
Personnel services	8,000	8,000	-
Contractual services and other charges	45,000	42,802	2,198
TOTAL DISTRICT CORONER	53,000	50,802	2,198
TOTAL JUDICIAL	699,109	658,657	40,452
Financial and Administrative:			
Financial Operations:			
Personnel services	398,000	363,860	34,140
Contractual services and other charges	77,000	71,953	5,047
Materials and supplies	8,000	5,037	2,963
Capital outlay	6,500	2,190	4,310
TOTAL FINANCIAL OPERATIONS	489,500	443,040	46,460

See independent auditor's report.

**SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL  
REGULATORY BASIS  
GENERAL FUND - (SCHEDULE 2)**

**POTTAWATOMIE COUNTY, KANSAS**

**Year Ended December 31, 2015**

	Budget	Actual	Favorable (Unfavorable) Variance
Appraiser:			
Personnel services	300,000	296,695	3,305
Contractual services and other charges	56,390	55,983	407
Materials and supplies	14,300	10,552	3,748
Capital outlay	9,000	7,901	1,099
<b>TOTAL APPRAISER</b>	<b>379,690</b>	<b>371,131</b>	<b>8,559</b>
Building and Grounds:			
Personnel services	97,000	95,490	1,510
Contractual services and other charges	398,900	360,500	38,400
Materials and supplies	34,150	30,536	3,614
Capital outlay	22,500	22,403	97
<b>TOTAL BUILDING AND GROUNDS</b>	<b>552,550</b>	<b>508,929</b>	<b>43,621</b>
County Clerk:			
Personnel services	141,750	130,276	11,474
Contractual services and other charges	7,095	6,931	164
Materials and supplies	5,530	5,487	43
Capital outlay	3,200	2,455	745
<b>TOTAL COUNTY CLERK</b>	<b>157,575</b>	<b>145,149</b>	<b>12,426</b>
Computer Expense:			
Personnel services	61,000		61,000
Contractual services and other charges	158,700	114,877	43,823
Materials and supplies	10,600	4,656	5,944
Capital outlay	22,000	11,004	10,996
<b>TOTAL COMPUTER EXPENSE</b>	<b>252,300</b>	<b>130,537</b>	<b>121,763</b>

See independent auditor's report.



**SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL  
REGULATORY BASIS  
GENERAL FUND - (SCHEDULE 2)**

**POTTAWATOMIE COUNTY, KANSAS**

**Year Ended December 31, 2015**

	Budget	Actual	Favorable (Unfavorable) Variance
Unclassified:			
Contractual services and other charges	135,500	133,981	1,519
Materials and supplies	3,500	1,266	2,234
Allocations and distributions	1,000	200	800
Transfers out	2,003,261	2,002,474	787
<b>TOTAL UNCLASSIFIED</b>	<b>2,143,261</b>	<b>2,137,921</b>	<b>5,340</b>
Zoning and Planning:			
Personnel services	81,000	72,380	8,620
Contractual services and other charges	34,575	31,151	3,424
Materials and supplies	3,955	2,643	1,312
<b>TOTAL ZONING AND PLANNING</b>	<b>119,530</b>	<b>106,174</b>	<b>13,356</b>
<b>TOTAL FINANCIAL AND ADMINISTRATIVE</b>	<b>8,758,116</b>	<b>7,513,014</b>	<b>1,245,102</b>
Public Safety:			
Ambulance Service:			
Contractual services and other charges	1,502,500	1,255,253	247,247
Materials and supplies	17,500		17,500
Capital outlay	200,000	136,313	63,687
Adjustment for qualifying budget credit	11,036		11,036
<b>TOTAL AMBULANCE SERVICE</b>	<b>1,731,036</b>	<b>1,391,566</b>	<b>339,470</b>
Local Emergency Management:			
Personnel services	85,000	74,078	10,922
Contractual services and other charges	44,400	20,543	23,857
Materials and supplies	14,750	5,719	9,031
Capital outlay	28,500	23,846	4,654
Adjustment for qualifying budget credit	24,424		24,424
<b>TOTAL LOCAL EMERGENCY MANAGEMENT</b>	<b>197,074</b>	<b>124,186</b>	<b>72,888</b>

See independent auditor's report.

**SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL  
REGULATORY BASIS  
GENERAL FUND - (SCHEDULE 2)**

**POTTAWATOMIE COUNTY, KANSAS**

**Year Ended December 31, 2015**

	Budget	Actual	Favorable (Unfavorable) Variance
Fire Supervisor:			
Personnel services	65,000	49,409	15,591
Contractual services and other charges	9,900	5,146	4,754
Materials and supplies	12,100	4,409	7,691
Capital outlay	11,000	1,242	9,758
TOTAL FIRE SUPERVISOR	98,000	60,206	37,794
Sheriff:			
Personnel services	1,861,000	1,809,627	51,373
Contractual services and other charges	144,400	135,374	9,026
Materials and supplies	227,000	187,846	39,154
Capital outlay	98,500	97,452	1,048
Adjustment for qualifying budget credit	8,351		8,351
TOTAL SHERIFF	2,339,251	2,230,299	108,952
Detention Center:			
Personnel services	457,500	442,912	14,588
Contractual services and other charges	61,000	50,255	10,745
Materials and supplies	134,700	132,879	1,821
Capital outlay	7,000	2,469	4,531
TOTAL DETENTION CENTER	660,200	628,515	31,685
Juvenile Detention:			
Contractual services and other charges	56,000	42,143	13,857
Materials and supplies	4,000		4,000
TOTAL JUVENILE DETENTION	60,000	42,143	17,857
TOTAL PUBLIC SAFETY	5,085,561	4,476,915	608,646
Public Works:			
Cemeteries:			
Contractual services and other charges	13,500	10,484	3,016
Materials and supplies	2,500	1,329	1,171
TOTAL CEMETERIES	16,000	11,813	4,187

See independent auditor's report.



**SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL  
REGULATORY BASIS  
GENERAL FUND - (SCHEDULE 2)**

**POTTAWATOMIE COUNTY, KANSAS**

**Year Ended December 31, 2015**

	Budget	Actual	Favorable (Unfavorable) Variance
Noxious Weed:			
Personnel services	179,500	173,046	6,454
Contractual services and other charges	49,550	23,547	26,003
Materials and supplies	117,600	111,031	6,569
Capital outlay	15,000	13,680	1,320
Adjustment for qualifying budget credit	1,262		1,262
<b>TOTAL NOXIOUS WEED</b>	<b>362,912</b>	<b>321,304</b>	<b>41,608</b>
Road and Bridge:			
Personnel services	1,795,300	1,759,298	36,002
Contractual services and other charges	836,700	831,707	4,993
Materials and supplies	1,764,000	1,712,574	51,426
Capital outlay	646,839	632,761	14,078
Transfers out	900,000	900,000	-
Adjustment for qualifying budget credit	4,471		4,471
<b>TOTAL ROAD AND BRIDGE</b>	<b>5,947,310</b>	<b>5,836,340</b>	<b>110,970</b>
Solid Waste Disposal:			
Personnel services	99,000	98,397	603
Contractual services and other charges	343,500	299,242	44,258
Materials and supplies	41,800	21,324	20,476
Capital outlay	5,350	5,292	58
<b>TOTAL SOLID WASTE DISPOSAL</b>	<b>489,650</b>	<b>424,255</b>	<b>65,395</b>
<b>TOTAL PUBLIC WORKS</b>	<b>6,815,872</b>	<b>6,593,712</b>	<b>222,160</b>
Health and Welfare:			
County Health:			
Personnel services	427,450	383,369	44,081
Contractual services and other charges	76,625	69,008	7,617
Materials and supplies	56,550	76,926	(20,376)
Capital outlay	12,500	17,393	(4,893)
Adjustment for qualifying budget credit	176,465		176,465
<b>TOTAL COUNTY HEALTH</b>	<b>749,590</b>	<b>546,696</b>	<b>202,894</b>

See independent auditor's report.

**SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL  
REGULATORY BASIS  
GENERAL FUND - (SCHEDULE 2)**

**POTTAWATOMIE COUNTY, KANSAS**

**Year Ended December 31, 2015**

	Budget	Actual	Favorable (Unfavorable) Variance
Health Care Distributions:			
Pawnee Mental Health	60,000	60,000	-
Developmental Disability	167,593	167,593	-
Community Health Ministry:	5,000	5,000	-
3 Rivers Independent Living:	20,000	20,000	-
<b>TOTAL HEALTH CARE DISTRIBUTIONS</b>	<b>252,593</b>	<b>252,593</b>	<b>-</b>
 Council on Aging:			
Personnel services	66,000	61,034	4,966
Contractual services and other charges	61,150	43,981	17,169
Materials and supplies	34,550	14,987	19,563
Capital outlay	20,000		20,000
Allocations and distributions	29,000	29,000	-
Adjustment for qualifying budget credit	57,637		57,637
<b>TOTAL COUNCIL ON AGING</b>	<b>268,337</b>	<b>149,002</b>	<b>119,335</b>
 Environmental Health:			
Personnel services	54,600	54,329	271
Contractual services and other charges	4,270	2,326	1,944
Materials and supplies	4,400	2,882	1,518
Capital outlay	22,000	21,574	426
<b>TOTAL ENVIRONMENTAL HEALTH</b>	<b>85,270</b>	<b>81,111</b>	<b>4,159</b>
<b>TOTAL HEALTH AND WELFARE</b>	<b>1,355,790</b>	<b>1,029,402</b>	<b>326,388</b>
 Culture and Recreation:			
County Park Operations:			
Contractual services and other charges	3,300	3,066	234
Materials and supplies	4,000	2,349	1,651
Capital outlay	1,500	1,500	-
<b>TOTAL COUNTY PARK OPERATIONS</b>	<b>8,800</b>	<b>6,915</b>	<b>1,885</b>

See independent auditor's report.

**SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL  
REGULATORY BASIS  
GENERAL FUND - (SCHEDULE 2)**

**POTTAWATOMIE COUNTY, KANSAS**

**Year Ended December 31, 2015**

	Budget	Actual	Favorable (Unfavorable) Variance
County Fair Operations:			
Allocations and distributions	85,000	85,000	-
<b>TOTAL CULTURE AND RECREATION</b>	<b>93,800</b>	<b>91,915</b>	<b>1,885</b>
Environment:			
Conservation District:			
Allocations and distributions	80,000	80,000	-
Economic Development:			
Transfer to component unit	210,000	210,000	-
Extension Services:			
Transfer to component unit	197,162	197,162	-
<b>TOTAL ENVIRONMENT</b>	<b>487,162</b>	<b>487,162</b>	<b>-</b>
<b>TOTAL EXPENDITURES</b>	<b>23,392,710</b>	<b>20,945,068</b>	<b>2,447,642</b>
<b>RECEIPTS OVER (UNDER) EXPENDITURES</b>	<b>(4,922,282)</b>	<b>294,081</b>	
Beginning Unencumbered Cash Balance	6,067,282	11,665,531	
Adjustment to unencumbered cash for prior year cancelled encumbrances		43,875	
<b>ENDING UNENCUMBERED CASH BALANCE</b>	<b>\$ 1,145,000</b>	<b>\$ 12,003,487</b>	

See independent auditor's report.

**SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL  
REGULATORY BASIS - BOND AND INTEREST  
BOND AND INTEREST FUND - (SCHEDULE 2)**

**POTTAWATOMIE COUNTY, KANSAS**

**Year Ended December 31, 2015**

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Special assessments	\$ 977,575	\$ 968,983	\$ (8,592)
Delinquent specials		2,937	2,937
Transfers in		485,454	485,454
<b>TOTAL CASH RECEIPTS</b>	<b>977,575</b>	<b>1,457,374</b>	<b>479,799</b>
Expenditures:			
Debt payments:			
Principal	1,513,128	669,844	843,284
Interest		232,349	(232,349)
Operating transfers		481,651	(481,651)
<b>TOTAL EXPENDITURES</b>	<b>1,513,128</b>	<b>1,383,844</b>	<b>129,284</b>
<b>RECEIPTS OVER (UNDER) EXPENDITURES</b>	<b>(535,553)</b>	<b>73,530</b>	
Beginning Unencumbered Cash Balance	535,553	603,049	
<b>ENDING UNENCUMBERED CASH BALANCE</b>	<b>\$ -</b>	<b>\$ 676,579</b>	

See independent auditor's report.

**SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL  
REGULATORY BASIS - COURT TRUSTEE  
SPECIAL PURPOSE FUND - (SCHEDULE 2)**

**POTTAWATOMIE COUNTY, KANSAS**

**Year Ended December 31, 2015**

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Use of property	\$ 36,115	\$ 43	\$ (36,072)
Expenditures:			
Contractual and other expenditures	34,415	510	33,905
Capital Outlay	1,700	1,680	20
<b>TOTAL EXPENDITURES</b>	<b>36,115</b>	<b>2,190</b>	<b>33,925</b>
<b>RECEIPTS OVER (UNDER) EXPENDITURES</b>	<b>-</b>	<b>(2,147)</b>	
Beginning Unencumbered Cash Balance		35,427	
<b>ENDING UNENCUMBERED CASH BALANCE</b>	<b>\$ -</b>	<b>\$ 33,280</b>	

See independent auditor's report.

**SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL  
REGULATORY BASIS - REGIONAL LIBRARY  
SPECIAL PURPOSE FUND - (SCHEDULE 2)**

**POTTAWATOMIE COUNTY, KANSAS**

**Year Ended December 31, 2015**

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Ad valorem tax	\$ 342,337	\$ 339,979	\$ (2,358)
Delinquent tax		1,642	1,642
Motor vehicle tax	16,864	17,810	946
Vehicles rent excise tax		1	1
16/20M vehicle tax	622	513	(109)
Recreation vehicle tax	411	433	22
Refunds		2,552	2,552
Watercraft tax		297	297
TOTAL CASH RECEIPTS	360,234	363,227	2,993
Expenditures:			
Allocations and distributions	360,234	360,234	-
RECEIPTS OVER (UNDER) EXPENDITURES	-	2,993	
Beginning Unencumbered Cash Balance		2,101	
ENDING UNENCUMBERED CASH BALANCE	\$ -	\$ 5,094	

See independent auditor's report.

**SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL  
REGULATORY BASIS - RURAL HIGHWAY SYSTEM  
SPECIAL PURPOSE FUND - (SCHEDULE 2)**

**POTTAWATOMIE COUNTY, KANSAS**

**Year Ended December 31, 2015**

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Ad valorem tax	\$ 2,436,366	\$ 2,424,882	\$ (11,484)
Delinquent tax	5	7,818	7,813
Motor vehicle tax	103,559	109,811	6,252
Vehicles rent excise tax		7	7
16/20M vehicle tax	4,608	3,806	(802)
Recreation vehicle tax	2,625	2,728	103
Refunds		14,584	14,584
Watercraft tax	1,993	1,976	(17)
Charges for services		5,452	5,452
Reimbursements and grants		11,189	11,189
<b>TOTAL CASH RECEIPTS</b>	<b>2,549,156</b>	<b>2,582,253</b>	<b>33,097</b>
Expenditures:			
Contractual and other expenditures	701,000	383,690	317,310
Material and supplies	775,000	745,122	29,878
Operating transfers	1,515,465	1,511,992	3,473
<b>TOTAL EXPENDITURES</b>	<b>2,991,465</b>	<b>2,640,804</b>	<b>350,661</b>
<b>RECEIPTS OVER (UNDER) EXPENDITURES</b>	<b>(442,309)</b>	<b>(58,551)</b>	
Beginning Unencumbered Cash Balance	442,309	1,099,615	
<b>ENDING UNENCUMBERED CASH BALANCE</b>	<b>\$ -</b>	<b>\$ 1,041,064</b>	

See independent auditor's report.

**SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL  
REGULATORY BASIS - TORT LIABILITY  
SPECIAL PURPOSE FUND - (SCHEDULE 2)**

**POTTAWATOMIE COUNTY, KANSAS**

**Year Ended December 31, 2015**

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Ad valorem tax	\$ 97,616	\$ 96,872	\$ (744)
Delinquent tax		577	577
Motor vehicle tax	4,807	5,096	289
Vehicles rent excise tax		107	107
16/20M vehicle tax	158	127	(31)
Recreation vehicle tax	110	121	11
Neighborhood revitalization rebate		(69)	(69)
Refunds		776	776
Watercraft tax	83	81	(2)
<b>TOTAL CASH RECEIPTS</b>	<b>102,774</b>	<b>103,688</b>	<b>914</b>
Expenditures:			
Contractual and other expenditures	178,477	88,792	89,685
<b>RECEIPTS OVER (UNDER) EXPENDITURES</b>	<b>(75,703)</b>	<b>14,896</b>	
Beginning Unencumbered Cash Balance	75,703	151,286	
<b>ENDING UNENCUMBERED CASH BALANCE</b>	<b>\$ -</b>	<b>\$ 166,182</b>	

See independent auditor's report.



**SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL  
REGULATORY BASIS - HISTORICAL SOCIETY  
SPECIAL PURPOSE FUND - (SCHEDULE 2)**

**POTTAWATOMIE COUNTY, KANSAS**

**Year Ended December 31, 2015**

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Ad valorem tax	\$ 48,808	\$ 48,436	\$ (372)
Delinquent tax		274	274
Motor vehicle tax	2,404	2,548	144
Vehicles rent excise tax		53	53
16/20M vehicle tax	79	64	(15)
Recreation vehicle tax	55	61	6
Neighborhood revitalization rebate		(34)	(34)
Refunds		388	388
Watercraft tax	41	41	-
<b>TOTAL CASH RECEIPTS</b>	<b>51,387</b>	<b>51,831</b>	<b>444</b>
Expenditures:			
Material and supplies	53,308		53,308
Allocations and distributions	50,000	41,689	8,311
<b>TOTAL EXPENDITURES</b>	<b>103,308</b>	<b>41,689</b>	<b>61,619</b>
<b>RECEIPTS OVER (UNDER) EXPENDITURES</b>	<b>(51,921)</b>	<b>10,142</b>	
Beginning Unencumbered Cash Balance	51,921	96,134	
<b>ENDING UNENCUMBERED CASH BALANCE</b>	<b>\$ -</b>	<b>\$ 106,276</b>	

See independent auditor's report.

**SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL  
REGULATORY BASIS - SPECIAL PARKS AND RECREATION  
SPECIAL PURPOSE FUND - (SCHEDULE 2)**

**POTTAWATOMIE COUNTY, KANSAS**

**Year Ended December 31, 2015**

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Local alcohol liquor tax	\$ 6,147	\$ 5,423	\$ (724)
Expenditures:			
Allocations and distributions	52,054	6,499	45,555
RECEIPTS OVER (UNDER) EXPENDITURES	(45,907)	(1,076)	
Beginning Unencumbered Cash Balance	45,907	87,944	
ENDING UNENCUMBERED CASH BALANCE	<u>\$ -</u>	<u>\$ 86,868</u>	

See independent auditor's report.

**SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL  
REGULATORY BASIS - SPECIAL ALCOHOL PROGRAM  
SPECIAL PURPOSE FUND - (SCHEDULE 2)**

**POTTAWATOMIE COUNTY, KANSAS**

**Year Ended December 31, 2015**

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Local alcohol liquor tax	\$ 15,436	\$ 10,375	\$ (5,061)
Expenditures:			
Contractual and other expenditures	12,500		12,500
Allocations and distributions	31,556	13,700	17,856
TOTAL EXPENDITURES	44,056	13,700	30,356
RECEIPTS OVER (UNDER) EXPENDITURES	(28,620)	(3,325)	
Beginning Unencumbered Cash Balance	28,620	59,356	
ENDING UNENCUMBERED CASH BALANCE	\$ -	\$ 56,031	

See independent auditor's report.

**SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL  
REGULATORY BASIS - REGIONAL LIBRARY EMPLOYEE BENEFIT FUND  
SPECIAL PURPOSE FUND - (SCHEDULE 2)**

**POTTAWATOMIE COUNTY, KANSAS**

**Year Ended December 31, 2015**

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Ad valorem tax	\$ 42,138	\$ 41,988	\$ (150)
Delinquent tax		183	183
Motor vehicle tax	2,010	2,086	76
16/20M vehicle tax	68	56	(12)
Recreation vehicle tax	49	51	2
Refunds		293	293
Watercraft		36	36
TOTAL CASH RECEIPTS	44,265	44,693	428
Expenditures:			
Allocations and distributions	44,265	44,265	-
RECEIPTS OVER (UNDER) EXPENDITURES	-	428	
Beginning Unencumbered Cash Balance		1	
ENDING UNENCUMBERED CASH BALANCE	\$ -	\$ 429	

See independent auditor's report.

**SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL  
REGULATORY BASIS - NOXIOUS WEED CHEMICAL  
SPECIAL PURPOSE FUND - (SCHEDULE 2)**

**POTTAWATOMIE COUNTY, KANSAS**

**Year Ended December 31, 2015**

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Charges for services	\$ 200,000	\$ 214,066	\$ 14,066
Expenditures:			
Contractual and other expenditures	100	65	35
Material and supplies	197,676	192,644	5,032
Capital Outlay	60,000	59,775	225
TOTAL EXPENDITURES	257,776	252,484	5,292
RECEIPTS OVER (UNDER) EXPENDITURES	(57,776)	(38,418)	
Beginning Unencumbered Cash Balance	57,776	161,139	
ENDING UNENCUMBERED CASH BALANCE	\$ -	\$ 122,721	

See independent auditor's report.

**SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL  
REGULATORY BASIS - E-911  
SPECIAL PURPOSE FUND - (SCHEDULE 2)**

**POTTAWATOMIE COUNTY, KANSAS**

**Year Ended December 31, 2015**

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Use of property	\$ 45,000	\$ 70	\$ (44,930)
Expenditures:			
Contractual and other expenditures	15,000	11,834	3,166
Capital Outlay	53,232	21,282	31,950
<b>TOTAL EXPENDITURES</b>	<b>68,232</b>	<b>33,116</b>	<b>35,116</b>
<b>RECEIPTS OVER (UNDER) EXPENDITURES</b>	<b>(23,232)</b>	<b>(33,046)</b>	
Beginning Unencumbered Cash Balance	23,232	66,911	
<b>ENDING UNENCUMBERED CASH BALANCE</b>	<b>\$ -</b>	<b>\$ 33,865</b>	

See independent auditor's report.

**SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL  
REGULATORY BASIS - COUNTY 911 FUND  
SPECIAL PURPOSE FUND - (SCHEDULE 2)**

**POTTAWATOMIE COUNTY, KANSAS**

**Year Ended December 31, 2015**

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Use of property	\$ 125,000	\$ 130,672	\$ 5,672
Miscellaneous receipts		659	659
TOTAL CASH RECEIPTS	125,000	131,331	6,331
Expenditures:			
Contractual and other expenditures	90,000	86,828	3,172
Material and supplies	3,500	3,389	111
Capital Outlay	65,000	4,174	60,826
TOTAL EXPENDITURES	158,500	94,391	64,109
RECEIPTS OVER (UNDER) EXPENDITURES	(33,500)	36,940	
Beginning Unencumbered Cash Balance	128,220	176,420	
ENDING UNENCUMBERED CASH BALANCE	\$ 94,720	\$ 213,360	

See independent auditor's report.

**SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL  
REGULATORY BASIS - OFFENDER REGISTRATION FUND  
SPECIAL PURPOSE FUND - (SCHEDULE 2)**

**POTTAWATOMIE COUNTY, KANSAS**

**Year Ended December 31, 2015**

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Licenses and permits	\$ 4,500	\$ 6,240	\$ 1,740
Expenditures:			
Contractual and other expenditures	100	36	64
Material and supplies	9,062	1,393	7,669
<b>TOTAL EXPENDITURES</b>	<b>9,162</b>	<b>1,429</b>	<b>7,733</b>
<b>RECEIPTS OVER (UNDER) EXPENDITURES</b>	<b>(4,662)</b>	<b>4,811</b>	
Beginning Unencumbered Cash Balance	4,662	8,868	
<b>ENDING UNENCUMBERED CASH BALANCE</b>	<b>\$ -</b>	<b>\$ 13,679</b>	

See independent auditor's report.



**SCHEDULE OF RECEIPTS AND EXPENDITURES**  
**REGULATORY BASIS**  
**NON-BUDGETED SPECIAL PURPOSE FUNDS - (SCHEDULE 2)**

**POTTAWATOMIE COUNTY, KANSAS**

**Year Ended December 31, 2015**

	Special Highway Improvement	Attorney Check Fee	Attorney Forfeiture	Law Enforcement Trust Fund	Capital Improvement
Cash Receipts:					
Licenses and permits	\$	\$ 210	\$	\$	\$
Reimbursements and grants	208,583				
Miscellaneous receipts		2,902	1,260	9,541	
Transfers in	900,000				2,000,000
<b>TOTAL CASH RECEIPTS</b>	<b>1,108,583</b>	<b>3,112</b>	<b>1,260</b>	<b>9,541</b>	<b>2,000,000</b>
Expenditures:					
Personnel expenditures					
Contractual and other expenditures	353,552	3,058	315	675	
Material and supplies	236,940			1,540	1,500
Capital Outlay		981	1,000	8,145	
Miscellaneous					
Operating transfers					
<b>TOTAL EXPENDITURES</b>	<b>590,492</b>	<b>4,039</b>	<b>1,315</b>	<b>10,360</b>	<b>1,500</b>
<b>RECEIPTS OVER (UNDER) EXPENDITURES</b>	<b>518,091</b>	<b>(927)</b>	<b>(55)</b>	<b>(819)</b>	<b>1,998,500</b>
Beginning Unencumbered Cash Balance	2,987,767	22,848	4,548	7,135	3,295,553
Adjustment to unencumbered cash for prior year cancelled encumbrances	973				150
<b>ENDING UNENCUMBERED CASH BALANCE</b>	<b>\$ 3,506,831</b>	<b>\$ 21,921</b>	<b>\$ 4,493</b>	<b>\$ 6,316</b>	<b>\$ 5,294,203</b>

See independent auditor's report.

**SCHEDULE OF RECEIPTS AND EXPENDITURES  
REGULATORY BASIS  
NON-BUDGETED SPECIAL PURPOSE FUNDS - (SCHEDULE 2)**

**POTTAWATOMIE COUNTY, KANSAS**

**Year Ended December 31, 2015**

	Equipment Reserve	Prosecuting Attorney Training	Special Auto	Deeds Technology	VIN Registration Fees
Cash Receipts:					
Licenses and permits	\$	\$	\$ 193,493	\$ 39,144	\$ 27,450
Reimbursements and grants					
Miscellaneous receipts		2,622			
Transfers in	74				
<b>TOTAL CASH RECEIPTS</b>	<b>74</b>	<b>2,622</b>	<b>193,493</b>	<b>39,144</b>	<b>27,450</b>
Expenditures:					
Personnel expenditures			37,938	511	
Contractual and other expenditures		5,004	5,867	48,502	
Material and supplies			5,451	1,811	
Capital Outlay	4,288		1,224		
Miscellaneous			1		
Operating transfers			146,794		
<b>TOTAL EXPENDITURES</b>	<b>4,288</b>	<b>5,004</b>	<b>197,275</b>	<b>50,824</b>	<b>-</b>
<b>RECEIPTS OVER (UNDER) EXPENDITURES</b>	<b>(4,214)</b>	<b>(2,382)</b>	<b>(3,782)</b>	<b>(11,680)</b>	<b>27,450</b>
Beginning Unencumbered Cash Balance	403,183	6,303	146,794	60,388	
Adjustment to unencumbered cash for prior year cancelled encumbrances					
<b>ENDING UNENCUMBERED CASH BALANCE</b>	<b>\$ 398,969</b>	<b>\$ 3,921</b>	<b>\$ 143,012</b>	<b>\$ 48,708</b>	<b>\$ 27,450</b>

See independent auditor's report.

**SCHEDULE OF RECEIPTS AND EXPENDITURES  
REGULATORY BASIS  
NON-BUDGETED SPECIAL PURPOSE FUNDS - (SCHEDULE 2)**

**POTTAWATOMIE COUNTY, KANSAS**

**Year Ended December 31, 2015**

	<u>Clerks Technology</u>	<u>Treasurers Technology</u>
Cash Receipts:		
Licenses and permits	\$ 9,748	\$ 9,748
Reimbursements and grants		
Miscellaneous receipts		
Transfers in		
	<u>9,748</u>	<u>9,748</u>
TOTAL CASH RECEIPTS	<u>9,748</u>	<u>9,748</u>
Expenditures:		
Personnel expenditures		
Contractual and other expenditures		4,573
Material and supplies	597	
Capital Outlay	3,011	
Miscellaneous		
Operating transfers		
	<u>3,608</u>	<u>4,573</u>
TOTAL EXPENDITURES	<u>3,608</u>	<u>4,573</u>
RECEIPTS OVER (UNDER)		
EXPENDITURES	6,140	5,175
Beginning Unencumbered Cash Balance		
Adjustment to unencumbered cash for prior year cancelled encumbrances		
ENDING UNENCUMBERED CASH BALANCE	<u>\$ 6,140</u>	<u>\$ 5,175</u>

See independent auditor's report.

**SCHEDULE OF RECEIPTS AND EXPENDITURES  
REGULATORY BASIS  
CAPITAL PROJECT FUNDS - (SCHEDULE 2)**

**POTTAWATOMIE COUNTY, KANSAS**

**Year Ended December 31, 2015**

	Timber Creek Stormwater	Nelsons Ridge Unit 2 Construction	Whispering Meadows 2 Construction	Wildcat Woods Phase 3 Construction	Elbo Creek Unit 4 Construction	Nelsons Ridge Unit 3 Construction	Whispering Meadows 3 Construction
Cash Receipts:							
Charges for services	\$	\$	\$	\$ 2	\$	\$	\$ 49,642
Use of property		6		57	168	213	261
Debt proceeds		1,079,351		537,841	605,000	630,000	825,000
Transfers in		2,400					
<b>TOTAL CASH RECEIPTS</b>	<b>-</b>	<b>1,081,757</b>	<b>-</b>	<b>537,900</b>	<b>605,168</b>	<b>630,213</b>	<b>874,903</b>
Expenditures:							
Contractual and other expenditures		25,456	1,861	253,875	532,591	551,576	805,057
Material and supplies							300
Debt payments:							
Principal		1,050,000		290,000			
Interest		7,331		793			
Operating transfers		4,974		1,229			
<b>TOTAL EXPENDITURES</b>	<b>-</b>	<b>1,087,761</b>	<b>1,861</b>	<b>545,897</b>	<b>532,591</b>	<b>551,576</b>	<b>805,357</b>
<b>RECEIPTS OVER (UNDER) EXPENDITURES</b>	<b>-</b>	<b>(6,004)</b>	<b>(1,861)</b>	<b>(7,997)</b>	<b>72,577</b>	<b>78,637</b>	<b>69,546</b>
Beginning Unencumbered Cash Balance	24,399	6,004	1,869	7,997			
<b>ENDING UNENCUMBERED CASH BALANCE</b>	<b>\$ 24,399</b>	<b>\$ -</b>	<b>\$ 8</b>	<b>\$ -</b>	<b>\$ 72,577</b>	<b>\$ 78,637</b>	<b>\$ 69,546</b>

See independent auditor's report.

**SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL  
REGULATORY BASIS - BLUE TOWNSHIP SEWER OPERATIONS  
BUSINESS FUND - (SCHEDULE 2)**

**POTTAWATOMIE COUNTY, KANSAS**

**Year Ended December 31, 2015**

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Licenses and permits	\$ 650,000	\$ 705,900	\$ 55,900
Charges for services		158	158
Miscellaneous receipts	1,000	357	(643)
<b>TOTAL CASH RECEIPTS</b>	<b>651,000</b>	<b>706,415</b>	<b>55,415</b>
Expenditures:			
Personnel expenditures	33,000	23,297	9,703
Contractual and other expenditures	444,500	404,950	39,550
Material and supplies	14,000	5,246	8,754
Capital Outlay	11,000	6,260	4,740
Debt payments:			
Principal	165,000	107,931	57,069
Interest		57,061	(57,061)
Operating transfers	30,500	30,362	138
<b>TOTAL EXPENDITURES</b>	<b>698,000</b>	<b>635,107</b>	<b>62,893</b>
<b>RECEIPTS OVER (UNDER) EXPENDITURES</b>	<b>(47,000)</b>	<b>71,308</b>	
Beginning Unencumbered Cash Balance	473,458	586,532	
Adjustment to unencumbered cash for prior year cancelled encumbrances		636	
<b>ENDING UNENCUMBERED CASH BALANCE</b>	<b>\$ 426,458</b>	<b>\$ 658,476</b>	

See independent auditor's report.

**SCHEDULE OF RECEIPTS AND EXPENDITURES  
REGULATORY BASIS - BLUE TOWNSHIP SEWER RESERVE  
BUSINESS FUND - (SCHEDULE 2)**

**POTTAWATOMIE COUNTY, KANSAS**

**Year Ended December 31, 2015**

Cash Receipts:

Licenses and permits	\$ 135,600
Reimbursements and grants	4,500
Transfers in	<u>30,362</u>

TOTAL CASH RECEIPTS	<u>170,462</u>
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Expenditures:

Contractual and other expenditures	<u>21,380</u>
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RECEIPTS OVER (UNDER) EXPENDITURES	149,082
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Beginning Unencumbered Cash Balance	<u>779,978</u>
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ENDING UNENCUMBERED CASH BALANCE	<u><u>\$ 929,060</u></u>
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See independent auditor's report.

**SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL  
REGULATORY BASIS - TIMBERCREEK WATER OPERATIONS  
BUSINESS FUND - (SCHEDULE 2)**

**POTTAWATOMIE COUNTY, KANSAS**

**Year Ended December 31, 2015**

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Sales and compensating use tax	\$ 300	\$ 253	\$ (47)
Licenses and permits	173,000	137,509	(35,491)
Reimbursements and grants		2,372	2,372
Miscellaneous receipts		360	360
<b>TOTAL CASH RECEIPTS</b>	<b>173,300</b>	<b>140,494</b>	<b>(32,806)</b>
Expenditures:			
Personnel expenditures	52,000	51,613	387
Contractual and other expenditures	68,000	42,184	25,816
Material and supplies	27,000	7,546	19,454
Capital Outlay	12,000	4,560	7,440
Operating transfers	45,000	44,127	873
Adjustment for qualifying budget credit	2,372		2,372
<b>TOTAL EXPENDITURES</b>	<b>206,372</b>	<b>150,030</b>	<b>56,342</b>
<b>RECEIPTS OVER (UNDER) EXPENDITURES</b>	<b>(33,072)</b>	<b>(9,536)</b>	
Beginning Unencumbered Cash Balance	113,598	137,766	
Adjustment to unencumbered cash for prior year cancelled encumbrances		75	
<b>ENDING UNENCUMBERED CASH BALANCE</b>	<b>\$ 80,526</b>	<b>\$ 128,305</b>	

See independent auditor's report.

**SCHEDULE OF RECEIPTS AND EXPENDITURES  
REGULATORY BASIS - TIMBERCREEK WATER RESERVE  
BUSINESS FUND - (SCHEDULE 2)**

**POTTAWATOMIE COUNTY, KANSAS**

**Year Ended December 31, 2015**

Cash Receipts:

Transfers in	\$ 44,127
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Expenditures:

RECEIPTS OVER (UNDER) EXPENDITURES	44,127
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Beginning Unencumbered Cash Balance	344,376
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ENDING UNENCUMBERED CASH BALANCE	\$ 388,503
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See independent auditor's report.



**SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL  
REGULATORY BASIS - FOSTORIA SEWER OPERATIONS  
BUSINESS FUND - (SCHEDULE 2)**

**POTTAWATOMIE COUNTY, KANSAS**

**Year Ended December 31, 2015**

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Miscellaneous receipts	\$ 3,000	\$ 1,896	\$ (1,104)
Expenditures:			
Contractual and other expenditures	10,000	9,979	21
Material and supplies	500		500
<b>TOTAL EXPENDITURES</b>	<b>10,500</b>	<b>9,979</b>	<b>521</b>
<b>RECEIPTS OVER (UNDER) EXPENDITURES</b>	<b>(7,500)</b>	<b>(8,083)</b>	
Beginning Unencumbered Cash Balance	29,751	30,538	
<b>ENDING UNENCUMBERED CASH BALANCE</b>	<b>\$ 22,251</b>	<b>\$ 22,455</b>	

See independent auditor's report.

**SCHEDULE OF RECEIPTS AND EXPENDITURES  
REGULATORY BASIS - FOSTORIA SEWER RESERVE  
BUSINESS FUND - (SCHEDULE 2)**

**POTTAWATOMIE COUNTY, KANSAS**

**Year Ended December 31, 2015**

Cash Receipts:

Miscellaneous receipts	\$ 736
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Expenditures:

RECEIPTS OVER (UNDER) EXPENDITURES	736
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Beginning Unencumbered Cash Balance	17,923
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ENDING UNENCUMBERED CASH BALANCE	\$ 18,659
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See independent auditor's report.

**SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL  
REGULATORY BASIS - BROOK RIDGE SEWER OPERATIONS  
BUSINESS FUND - (SCHEDULE 2)**

**POTTAWATOMIE COUNTY, KANSAS**

**Year Ended December 31, 2015**

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Licenses and permits	\$ 5,000	\$ 6,637	\$ 1,637
Expenditures:			
Contractual and other expenditures	3,750	1,079	2,671
Material and supplies	400		400
Operating transfers	2,000		2,000
<b>TOTAL EXPENDITURES</b>	<b>6,150</b>	<b>1,079</b>	<b>5,071</b>
<b>RECEIPTS OVER (UNDER) EXPENDITURES</b>	<b>(1,150)</b>	<b>5,558</b>	
Beginning Unencumbered Cash Balance	3,057	10,086	
<b>ENDING UNENCUMBERED CASH BALANCE</b>	<b>\$ 1,907</b>	<b>\$ 15,644</b>	

See independent auditor's report.

**SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL  
REGULATORY BASIS - BROOK RIDGE SEWER MAINTENANCE  
BUSINESS FUND - (SCHEDULE 2)**

**POTTAWATOMIE COUNTY, KANSAS**

**Year Ended December 31, 2015**

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Special assessments	\$ 2,340	\$ 1,726	\$ (614)
Expenditures:			
Contractual and other expenditures	2,750	158	2,592
Material and supplies	250		250
<b>TOTAL EXPENDITURES</b>	<b>3,000</b>	<b>158</b>	<b>2,842</b>
<b>RECEIPTS OVER (UNDER) EXPENDITURES</b>	<b>(660)</b>	<b>1,568</b>	
Beginning Unencumbered Cash Balance	9,720	12,089	
<b>ENDING UNENCUMBERED CASH BALANCE</b>	<b>\$ 9,060</b>	<b>\$ 13,657</b>	

See independent auditor's report.

**SCHEDULE OF RECEIPTS AND EXPENDITURES  
REGULATORY BASIS - BROOK RIDGE SEWER RESERVE  
BUSINESS FUND - (SCHEDULE 2)**

**POTTAWATOMIE COUNTY, KANSAS**

**Year Ended December 31, 2015**

Cash Receipts:

Licenses and permits	\$ 7,600
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Expenditures:

RECEIPTS OVER (UNDER) EXPENDITURES	7,600
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Beginning Unencumbered Cash Balance	15,200
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ENDING UNENCUMBERED CASH BALANCE	\$ 22,800
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See independent auditor's report.

**SUMMARY OF RECEIPTS AND DISBURSEMENTS**  
**REGULATORY BASIS**  
**AGENCY FUNDS (SCHEDULE 3)**

**POTTAWATOMIE COUNTY, KANSAS**

**For the Year Ended December 31, 2015**

<u>Fund</u>	<u>Beginning Cash Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Ending Cash Balance</u>
<b>Distributable Funds:</b>				
Ad Valorem Taxes:				
Current real estate	\$ 23,091,605	\$ 45,194,465	\$ 42,861,745	\$ 25,424,325
Current watercraft	22,859	30,780	39,833	13,806
Current personal property	474,605	780,271	805,801	449,075
Current 16/20M vehicle	36,312	54,127	47,605	42,834
Delinquent real estate	59,965	276,591	277,207	59,349
Delinquent watercraft		42		42
Delinquent personal property	2,304	16,321	17,335	1,290
Delinquent 16/20M vehicle	379	638	361	656
Motor vehicle	454,660	2,111,149	2,107,039	458,770
Commercial truck receipts	131,402	391,836	514,297	8,941
Excise tax holding fund	25,340	57,775	54,616	28,499
Heritage Trust Funds		19,496		19,496
<b>Total Distributable Funds</b>	<b>24,299,431</b>	<b>48,933,491</b>	<b>46,725,839</b>	<b>26,507,083</b>
<b>State Funds:</b>				
State education building		518,754	518,754	-
State institutional building		259,377	259,377	-
<b>Total State Funds</b>	<b>-</b>	<b>778,131</b>	<b>778,131</b>	<b>-</b>
<b>Subdivision Funds:</b>				
Cities	473,898	5,522,083	5,507,970	488,011
Townships		239,297	239,297	-
School districts		21,698,157	21,698,157	-
Hospital districts	19,992	1,832,935	1,833,237	19,690
Drainage districts	7,399	22,638	22,507	7,530
Cemetery districts		25,676	25,676	-
Watershed districts	3,551	222,040	221,757	3,834
Rural water districts	7,686	9		7,695
<b>Total Subdivision Funds</b>	<b>512,526</b>	<b>29,562,835</b>	<b>29,548,601</b>	<b>526,760</b>

See independent auditor's report.

**SUMMARY OF RECEIPTS AND DISBURSEMENTS  
REGULATORY BASIS  
AGENCY FUNDS (SCHEDULE 3)**

**POTTAWATOMIE COUNTY, KANSAS**

**For the Year Ended December 31, 2015**

<u>Fund</u>	<u>Beginning Cash Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Ending Cash Balance</u>
<b>Other Agency Funds:</b>				
Game licenses		1,847	1,847	-
Kansas waterfowl stamp		275	275	-
Brook Ridge sewer agency		10,425	10,425	-
Blue Township sewer agency	2,222	7,668	9,890	-
County activity fund	911	265	245	931
Cereal malt beverage stamp		150	150	-
Kansas drivers license		13,328	13,328	-
Motor license		1,330,944	1,330,944	-
Over and under		130,342	130,342	-
Sales tax		903,523	903,523	-
Unclaimed estates	3,528			3,528
Neighborhood revitalization	713	40,415	39,350	1,778
Disaster Relief Abatement		535	97	438
<b>Total Other Agency Funds</b>	<u>7,374</u>	<u>2,439,717</u>	<u>2,440,416</u>	<u>6,675</u>
	<u>24,819,331</u>	<u>81,714,174</u>	<u>79,492,987</u>	<u>27,040,518</u>
<b>Outside Accounts Considered to be Agency Funds</b>				
District Court	45,208	1,411,948	595,771	861,385
Pottawatomie County Sheriff	4,196	71,644	75,592	248
Law Library	21,459	12,345	7,072	26,732
	<u>70,863</u>	<u>1,495,937</u>	<u>678,435</u>	<u>888,365</u>
<b>TOTAL AGENCY FUNDS</b>	<u>\$ 24,890,194</u>	<u>\$ 83,210,111</u>	<u>\$ 80,171,422</u>	<u>\$ 27,928,883</u>

See independent auditor's report.

**SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL  
REGULATORY BASIS - RELATED MUNICIPAL ENTITY  
GENERAL FUND - (SCHEDULE 4)**

**POTTAWATOMIE COUNTY JOINT FIRE DISTRICT NO. 3**

**Year Ended December 31, 2015**

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Ad valorem tax	\$ 30,675	\$ 30,569	\$ (106)
Delinquent tax		122	122
Mineral tax		1	1
Motor vehicle tax	2,555	2,809	254
16/20M vehicle tax	352	361	9
Recreation vehicle tax	73	80	7
Refunds		301	301
Watercraft Tax	28	25	(3)
Reimbursements and grants		262	262
Miscellaneous receipts		24	24
TOTAL CASH RECEIPTS	33,683	34,554	871
Expenditures:			
Contractual and other expenditures	12,000	7,906	4,094
Material and supplies	12,000	4,640	7,360
Capital Outlay	33,988		33,988
TOTAL EXPENDITURES	57,988	12,546	45,442
RECEIPTS OVER (UNDER) EXPENDITURES	(24,305)	22,008	
Beginning Unencumbered Cash Balance	24,305	59,232	
ENDING UNENCUMBERED CASH BALANCE	\$ -	\$ 81,240	

See independent auditor's report.



**SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL  
REGULATORY BASIS - RELATED MUNICIPAL ENTITY  
GENERAL FUND - (SCHEDULE 4)**

**POTTAWATOMIE COUNTY FIRE DISTRICT NO. 5**

**Year Ended December 31, 2015**

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Ad valorem tax	\$ 135,000	\$ 133,399	\$ (1,601)
Delinquent tax		775	775
Motor vehicle tax	14,808	16,833	2,025
Vehicles rent excise tax		4	4
16/20M vehicle tax	369	254	(115)
Recreation vehicle tax	234	239	5
Refunds		2,882	2,882
Watercraft Tax	337	334	(3)
Reimbursements and grants		3,364	3,364
Miscellaneous receipts		2,490	2,490
TOTAL CASH RECEIPTS	150,748	160,574	9,826
Expenditures:			
Personnel expenditures	5,000	4,375	625
Contractual and other expenditures	44,000	37,128	6,872
Material and supplies	40,000	36,134	3,866
Capital Outlay	72,651	25,182	47,469
TOTAL EXPENDITURES	161,651	102,819	58,832
RECEIPTS OVER (UNDER) EXPENDITURES	(10,903)	57,755	
Beginning Unencumbered Cash Balance	10,903	19,074	
ENDING UNENCUMBERED CASH BALANCE	\$ -	\$ 76,829	

See independent auditor's report.

**SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL  
REGULATORY BASIS - RELATED MUNICIPAL ENTITY  
GENERAL FUND - (SCHEDULE 4)**

**POTTAWATOMIE COUNTY FIRE DISTRICT NO. 6**

**Year Ended December 31, 2015**

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Delinquent tax	\$	\$ 186	\$ 186
Motor vehicle tax	1,366	1,452	86
16/20M vehicle tax	269	215	(54)
Recreation vehicle tax	67	78	11
Refunds		316	316
Watercraft Tax	31	30	(1)
Miscellaneous receipts	1,000		(1,000)
<b>TOTAL CASH RECEIPTS</b>	<b>2,733</b>	<b>2,277</b>	<b>(456)</b>
Expenditures:			
Operating transfers	5,240	2,277	2,963
<b>RECEIPTS OVER (UNDER) EXPENDITURES</b>	<b>(2,507)</b>	<b>-</b>	
Beginning Unencumbered Cash Balance	2,507		
<b>ENDING UNENCUMBERED CASH BALANCE</b>	<b>\$ -</b>	<b>\$ -</b>	

See independent auditor's report.

**SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL  
REGULATORY BASIS - RELATED MUNICIPAL ENTITY  
GENERAL FUND - (SCHEDULE 4)**

**POTTAWATOMIE COUNTY FIRE DISTRICT NO. 10**

**Year Ended December 31, 2015**

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Ad valorem tax	\$ 90,000	\$ 88,613	\$ (1,387)
Delinquent tax		1,074	1,074
Motor vehicle tax	8,856	10,622	1,766
16/20M vehicle tax	184	136	(48)
Recreation vehicle tax	231	287	56
Refunds		565	565
Watercraft Tax	150	152	2
Miscellaneous receipts	3,000		(3,000)
TOTAL CASH RECEIPTS	102,421	101,449	(972)
Expenditures:			
Capital Outlay	105,798	98,029	7,769
Operating transfers		15,417	(15,417)
TOTAL EXPENDITURES	105,798	113,446	(7,648)
RECEIPTS OVER (UNDER) EXPENDITURES	(3,377)	(11,997)	
Beginning Unencumbered Cash Balance	3,377	11,997	
ENDING UNENCUMBERED CASH BALANCE	\$ -	\$ -	

See independent auditor's report.

**SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL  
REGULATORY BASIS - RELATED MUNICIPAL ENTITY  
GENERAL FUND - (SCHEDULE 4)**

**POTTAWATOMIE COUNTY CONSOLIDATED FIRE DISTRICT NO. 1**

**Year Ended December 31, 2015**

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Ad valorem tax	\$ 459,000	\$ 457,259	\$ (1,741)
Delinquent tax		580	580
Mineral tax		(12)	(12)
Motor vehicle tax	13,723	11,127	(2,596)
16/20M vehicle tax	988	147	(841)
Recreation vehicle tax	402	339	(63)
Refunds		1,120	1,120
Watercraft Tax	267	241	(26)
Reimbursements and grants		4,999	4,999
Miscellaneous receipts		507	507
Transfers in		23,973	23,973
<b>TOTAL CASH RECEIPTS</b>	<b>474,380</b>	<b>500,280</b>	<b>25,900</b>
Expenditures:			
Personnel expenditures	16,000	13,672	2,328
Contractual and other expenditures	152,000	125,149	26,851
Material and supplies	84,000	24,220	59,780
Capital Outlay	330,962	179,639	151,323
<b>TOTAL EXPENDITURES</b>	<b>582,962</b>	<b>342,680</b>	<b>240,282</b>
<b>RECEIPTS OVER (UNDER) EXPENDITURES</b>	<b>(108,582)</b>	<b>157,600</b>	
Beginning Unencumbered Cash Balance	108,582	125,447	
<b>ENDING UNENCUMBERED CASH BALANCE</b>	<b>\$ -</b>	<b>\$ 283,047</b>	

See independent auditor's report.

**SCHEDULE OF RECEIPTS AND EXPENDITURES  
REGULATORY BASIS  
RELATED MUNICIPAL ENTITY - (SCHEDULE 4)**

**POTTAWATOMIE COUNTY CONSOLIDATED FIRE DISTRICT NO. 1 RESERVE**

**Year Ended December 31, 2015**

Cash Receipts:	_____
Expenditures:	_____
RECEIPTS OVER (UNDER) EXPENDITURES	-
Beginning Unencumbered Cash Balance	<u>145,000</u>
ENDING UNENCUMBERED CASH BALANCE	<u><u>\$ 145,000</u></u>

See independent auditor's report.

**SCHEDULE OF RECEIPTS AND EXPENDITURES**  
**REGULATORY BASIS - RELATED MUNICIPAL ENTITY**  
**GENERAL FUND - (SCHEDULE 4)**

**POTTAWATOMIE COUNTY NON-BUDGETED FIRE DISTRICTS**

**Year Ended December 31, 2015**

	Joint Fire District No. 1	Fire District No. 2	Joint Fire District No. 4	Fire District No. 7	Fire District No. 8
Cash Receipts:					
Ad valorem tax	\$	\$	\$	\$ (26)	\$
Delinquent tax	361	11	312	654	5
Motor vehicle tax	822	243	348	1,225	11
16/20M vehicle tax	187	74	86	86	2
Recreation vehicle tax	1	6	5	42	
Refunds	1,293	26	22	484	
<b>TOTAL CASH RECEIPTS</b>	<b>2,664</b>	<b>360</b>	<b>773</b>	<b>2,465</b>	<b>18</b>
Expenditures:					
Operating transfers	2,664	360	773	2,465	18
<b>RECEIPTS OVER (UNDER) EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Beginning Unencumbered Cash Balance					
<b>ENDING UNENCUMBERED CASH BALANCE</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

\*Fire Districts have been consolidated into one District. Old taxes are still being collected in each district and transferred to the Consolidated Fund.

See independent auditor's report.

**SCHEDULE OF RECEIPTS AND EXPENDITURES  
REGULATORY BASIS  
RELATED MUNICIPAL ENTITY - (SCHEDULE 4)**

**POTTAWATOMIE COUNTY ECONOMIC DEVELOPMENT CORPORATION**

**Year Ended December 31, 2015**

Cash Receipts:

Special projects	\$ 236,150
Proceeds from disposition of property	209,092
Use of property	5,260
Transfers from primary government	<u>210,000</u>

TOTAL CASH RECEIPTS	<u>660,502</u>
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Expenditures:

Personnel expenditures	164,863
Contractual and other expenditures	150,123
Material and supplies	10,384
Capital Outlay	<u>2,428</u>

TOTAL EXPENDITURES	<u>327,798</u>
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RECEIPTS OVER (UNDER) EXPENDITURES	332,704
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Beginning Unencumbered Cash Balance	<u>489,489</u>
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ENDING UNENCUMBERED CASH BALANCE	<u><u>\$ 822,193</u></u>
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See independent auditor's report.

**SCHEDULE OF RECEIPTS AND EXPENDITURES  
REGULATORY BASIS  
RELATED MUNICIPAL ENTITY - (SCHEDULE 4)**

**POTTAWATOMIE COUNTY EXTENSION COUNCIL**

**Year Ended December 31, 2015**

Cash Receipts:

Interest revenue	\$ 271
Reimbursements and grants	3,979
Kansas State University reimbursement	37,349
Educational services	11,101
Transfers from primary government	<u>197,162</u>

TOTAL CASH RECEIPTS	<u>249,862</u>
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Expenditures:

Personnel expenditures	122,025
Personnel expenditures reimbursed by Kansas State University	37,349
Employee benefits	25,945
Contractual and other expenditures	32,496
Contractual and other expenditures - grant expenditures	3,457
Material and supplies	<u>3,516</u>

TOTAL EXPENDITURES	<u>224,788</u>
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RECEIPTS OVER (UNDER) EXPENDITURES	25,074
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Beginning Unencumbered Cash Balance	<u>51,851</u>
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ENDING UNENCUMBERED CASH BALANCE	<u><u>\$ 76,925</u></u>
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See independent auditor's report.



## **OTHER INFORMATION**

## **SCHEDULE 5 - COMPOSITION OF ENDING CASH BALANCES**

### **POTTAWATOMIE COUNTY, KANSAS**

**Year Ended December 31, 2015**

#### **COUNTY TREASURER**

Checking account:

Farmers State Bank, Westmoreland \$ 5,876,792

Savings account:

Bank of the Flint Hills, Wamego 7,695

Certificates of deposits:

Union State Bank, Olsburg 400,000

Bank of the Flint Hills, Wamego 14,000,000

Kansas State Bank, Manhattan 2,000,000

16,400,000

Change fund and petty cash 850

Municipal Investment Pool 33,004,962

**TOTAL COUNTY TREASURER \$ 55,290,299**

#### **CLERK OF THE DISTRICT COURT**

Checking:

Farmers State Bank, Westmoreland 861,385

#### **POTTAWATOMIE COUNTY SHERIFF**

Checking:

Farmers State Bank, Westmoreland 248

#### **LAW LIBRARY**

Checking:

Farmers State Bank, Westmoreland 26,732

#### **COMPONENT UNITS**

Pottawatomie County Economic Development Corp. 824,097

Pottawatomie County Extension Council 76,925

901,022

**TOTAL CASH BALANCES \$ 57,079,686**

See independent auditor's report.

## **SCHEDULE 6 - TAX ROLL RECONCILIATION**

### **POTTAWATOMIE COUNTY, KANSAS**

**Year Ended December 31, 2015**

2014 Tax roll - as adjusted:

County Clerk's abstract of 2014 tax roll	\$ 44,022,157
Special assessments	1,830,126
16/20 M trucks	48,396
Watercraft	41,484
Personal Property under \$5	(427)
General tax differences	140
Adjustments to original tax roll:	
Added taxes	8,243
Abated taxes	(47,878)

Adjusted 2014 tax roll	<u><u>\$ 45,902,241</u></u>
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2014 Tax roll - as accounted for:

Collections during 2014 through December 2014	24,599,952
Collections during 2015 through September 2015	20,993,434
Refunds through September 2015	<u>(20,652)</u>

Net tax roll collections	45,572,734
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Delinquent personal property as of September 30, 2015	22,874
Delinquent real estate taxes as of September 30, 2015	<u>306,633</u>

Net delinquent taxes	<u>329,507</u>
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2014 tax roll accounted for	<u><u>\$ 45,902,241</u></u>
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See independent auditor's report.

**SCHEDULE 7 - RECEIPTS AND DISBURSEMENTS  
CLERK OF THE DISTRICT COURT**

**POTTAWATOMIE COUNTY, KANSAS**

**Year Ended December 31, 2015**

Balance, Beginning of Year	\$ 45,208
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Receipts:

Judgments, restitutions, etc.	\$ 910,307
Clerk fees - State	143,598
Clerk fees - County	4,163
Fines	100,662
Law enforcement training center	18,749
Refund	158
Law library	13,091
State attorney fee	11,425
County attorney fee	30,742
Marriage license fees	3,422
State general fund	1,415
Interest	117
Prosecuting attorney training center	2,531
Indigent defense fees	1,135
Judicial branch surcharge	49,350
Criminal probation fee	4,367
Forfeitures	200
Bonds	97,136
Other	19,380

TOTAL RECEIPTS	1,411,948
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Expenditures:

To County Treasurer:

County attorney fees	30,742
Refund	158
Law library	13,091
Clerk fees	4,163
Prosecuting attorney training	2,531
Other	21,102

TOTAL EXPENDITURES TO COUNTY TREASURER	71,787
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See independent auditor's report.

**SCHEDULE 7 - RECEIPTS AND DISBURSEMENTS  
CLERK OF THE DISTRICT COURT**

**POTTAWATOMIE COUNTY, KANSAS**

**Year Ended December 31, 2015**

Expenditures:

To State Treasurer:

Clerk fees	143,598
Fines	100,662
Law enforcement training center	18,749
State attorney fees	11,425
Marriage license fees	3,422
State general fund	1,415
Interest	89
Reinstatement fees	2,345
Indigent defense fees	1,135

TOTAL EXPENDITURES TO STATE TREASURER	<u>282,840</u>
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Judgment, restitutions, and other	191,594
Judicial branch surcharge	49,350
Forfeitures	<u>200</u>

TOTAL OTHER EXPENDITURES	<u>241,144</u>
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TOTAL EXPENDITURES	<u>595,771</u>
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BALANCE, END OF YEAR	<u><u>\$ 861,385</u></u>
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Composition of ending balance:

Cash in Farmers State Bank, Westmoreland, Kansas	<u><u>\$ 861,385</u></u>
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See independent auditor's report.

**SCHEDULE 7 - RECEIPTS AND DISBURSEMENTS  
COUNTY SHERIFF**

**POTTAWATOMIE COUNTY, KANSAS**

**Year Ended December 31, 2015**

Balance, Beginning of Year	<u>\$ 4,196</u>
Receipts:	
VIN fees	28,280
Miscellaneous fees	23,090
Sheriff's fees	12,331
Concealed carry fees	2,243
Offender registration fees	<u>5,700</u>
<b>TOTAL RECEIPTS</b>	<u><b>71,644</b></u>
Expenditures:	
To County Treasurer:	
VIN fees	27,450
Sheriff's fees	13,539
Concealed carry fees	2,471
Offender registration fees	<u>6,240</u>
<b>TOTAL EXPENDITURES TO COUNTY TREASURER</b>	<u><b>49,700</b></u>
Other expenditures	<u>25,892</u>
<b>TOTAL EXPENDITURES</b>	<u><b>75,592</b></u>
<b>BALANCE, END OF YEAR</b>	<u><u><b>\$ 248</b></u></u>
Composition of ending balance:	
Cash in Farmers State Bank, Westmoreland, Kansas	<u><u><b>\$ 248</b></u></u>

See independent auditor's report.

**SCHEDULE 7 - RECEIPTS AND DISBURSEMENTS  
LAW LIBRARY**

**POTTAWATOMIE COUNTY, KANSAS**

**Year Ended December 31, 2015**

Balance, Beginning of Year	<u>\$ 21,459</u>
Receipts:	
Deposits of District Court	12,285
Dues	40
Miscellaneous	<u>20</u>
<b>TOTAL RECEIPTS</b>	<u>12,345</u>
Expenditures:	
Jackson County Law Library	6,902
Miscellaneous	<u>170</u>
<b>TOTAL EXPENDITURES</b>	7,072
<b>BALANCE, END OF YEAR</b>	<u><u>\$ 26,732</u></u>
Composition of ending balance:	
Cash in Farmers State Bank, Westmoreland, Kansas	<u><u>\$ 26,732</u></u>

See independent auditor's report.

## **SCHEDULE 8 - ACCOUNTS RECEIVABLE - CHARGES, CREDITS, AND BALANCE**

### **POTTAWATOMIE COUNTY, KANSAS**

**Year Ended December 31, 2015**

#### **COUNTY ENGINEER**

Balance, Beginning of Year	\$	
Add charges:		
Sales of services, material, and equipment		261,412
Less credits:		
Collected on account		<u>261,412</u>
Balance, End of Year	\$	<u><u>-</u></u>

#### **NOXIOUS WEED**

Balance, Beginning of Year	\$	2,704
Add charges:		
Sales of services, material, and equipment		203,240
Less credits:		
Collected on account		<u>205,796</u>
Balance, End of Year	\$	<u><u>148</u></u>

See independent auditor's report.



## **SCHEDULE 8 - ACCOUNTS RECEIVABLE - CHARGES, CREDITS, AND BALANCE**

### **POTTAWATOMIE COUNTY, KANSAS**

**Year Ended December 31, 2015**

#### **COUNTY HEALTH DEPARTMENT**

Balance, Beginning of Year	\$ 8,589
Add charges:	
Services provided	102,398
Other charges	<u>265</u>
Total Charges and Increases	<u>102,663</u>
Less credits:	
Collections:	
Insurance carriers	20,954
Medicare	18,173
Client and contracts	20,678
Adjustments and write-off's	<u>40,969</u>
Total Payments and Adjustments	<u>100,774</u>
Balance, End of Year	<u><u>\$ 10,478</u></u>
Schedule of Aged Receivables:	
Under 30 days	1,435
30 - 60 days	2,425
60 - 90 days	3,358
Over 90 days	<u>3,260</u>
Balance, End of Year	<u><u>\$ 10,478</u></u>

See independent auditor's report.